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BRANDT'S MOSCOW TRIP VIEWED INEFFECTIVE ON NATO ARMS TALKS

Frankfurt FRANKFURTER ALLGEMEINE in German 9 Jul 81 pp 1-2

[Article by C.G.: "Federal Government Sees No New Elements for Talks on Medium-Range Weapons"]

[Text] Bonn, 8 July--In the view of the Federal Government, the Moscow talks of SPD Chairman Brandt produced no real improvement with respect to future American-Soviet negotiations on the limitation of medium-range weapons in Europe. The FRG cabinet came to this conclusion on Wednesday following a 1 and 1/2-hour debate on the report which Brandt had presented about his trip to the chancellor and the FRG minister of foreign affairs. Accordingly, the Federal Government attaches little importance to the "new accent" which was mentioned by Brandt and Wischniewski, his traveling companion, with respect to Soviet views that had been transmitted to them. On crucial points--Brezhnev's proposal to freeze medium-range weapons and considerations of a "zero option" by totally abandoning counter-arming--the Federal Government repeated and affirmed its views that were in agreement with the Atlantic Alliance and which had been expressed earlier on several occasions. This clarification by the government is not a cabinet resolution. It is a summary of the cabinet discussion formulated by Chancellor Schmidt.

According to Becker, government spokesman, the debate among the ministers was "lively." The government spokesman did not say whether this "liveliness" was directed at Brandt's "new accents" or rather against the position of Schmidt and Genscher. Becker was cautious when he said that, after all, all the cabinet members had been witnesses of a summary by the chancellor and had raised no objections to the plan of passing on to the public the seven-part summary. During the cabinet meeting only casual mention was made of Brandt's recommendation to the Scandinavian countries to negotiate with the Soviet Union Moscow's proposal for a nuclear-weapon-free zone in the north. The Scandinavian countries received Brandt's recommendation with extremely mixed feelings, and it is expected to play a role in next week's session of the presidium of the Socialist Internationale, which will also be attended by Norway's Prime Minister Harlem Brundtland. The Federal Government refused to comment on this second attempt by Brandt to get involved in foreign policy efforts, the Socialist Internationale.

The cabinet, however, took up those aspects of Brandt's trip that directly concerned the FRG. The first point of Schmidt's summary of the cabinet discussion applauded the fact that Brandt's talks in Moscow took place at all. Emphatically

Schmidt stated that the fact that Brandt was able to explain "the policies of the Federal Government and of NATO" was a welcome thought. Schmidt's second point was that Brandt's Moscow talks were a part of the dialog between East and West, and because of the difficult international situation it had now taken on particular importance. It is an indication that "the political forces that are currently working in the FRG"--Schmidt was using the plural to point indirectly to the difference between the SPD and the government with respect to Brandt's initiative--were actively supporting the policy of securing peace.

Bonn Sees No New Element

In his third point Schmidt postponed a final evaluation to the future: The government is examining Brandt's report and will also include in the evaluation Moscow's announced explanations. On the last day of Brandt's Moscow visit, the Soviet Politburo asked several specialized ministries to clarify questions that had arisen during the talks with Brandt. The result is to be announced later. The "additions" seem to deal with those steps "that are desirable or mandatory before negotiations"--the government spokesman used this formulation to refer to the "series of talks" to be entered into by Washington and Moscow. Schmidt announced that the Western allies will be informed following the final evaluation of the results.

In his fourth point Schmidt said that it was not always meaningful for the government to comment on the details of its security policy. The position of the Federal Government was established in NATO's double resolution and continuous new explanations were not necessary. The chancellor was thus guarding himself against questions from the opposition concerning the government position on details of the Moscow talks as well as against initiatives from left-wing Social Democrats who want to add new accents to government policies. In his fifth point Schmidt called attention to the fact that the Federal Government, jointly with the United States and the other NATO partners within the special NATO Advisory Group, was participating in intensive preparations for the Geneva negotiations on medium-range weapons. It was in accordance with the resolutions adopted by the NATO foreign ministers during their May meeting in Rome. Schmidt welcomed Washington's and Moscow's willingness to resume negotiations this year without preconditions.

A List of Quotes

Schmidt named the most important points last. He offered a list of quotations to build a foundation for the government position on Brezhnev's proposal to freeze medium-range weapons. In February the Federal Government had replied to the moratorium proposal which had been presented by Brezhnev during the Moscow Party Congress by stating that the imbalance in Europe must not be made permanent on paper. The balance of power was indispensable for security, peace and detente. Schmidt had already said in February that Brezhnev's proposal was falling short of the Soviet offer of 1979, which contained a promise to reduce the number of SS-20 missiles stationed in the western part of the Soviet Union as long as the West was not installing any missiles. According to Schmidt's February formulation following the revised Moscow initiative, this offer of 1979--if it had been agreed upon--would already have "led to the acceptance of Soviet superiority." (At this point Schmidt was also referring to the Bundestag resolution of 26 May, which stated that negotiation results would be facilitated if the Soviet Union would stop the

construction of its S-20 missiles and remove those that had already been installed. A mere redeployment behind the Ural of Soviet longer-range missiles would not meet Western security demands.) Schmidt referred to his Bundestag speech on 1 February--before Genscher's trip to Moscow. At that time Schmidt had said that even a unilateral Soviet moratorium could not reduce the deep concern of the Federal Government. The effect would only be psychological, because the Soviet Union had already installed more than 200 launching sites for SS-20 missiles. Each missile had three independently guided nuclear heads. Schmidt's enumeration led to the conclusion that Brezhnev's new variation was not bringing about any changes. Brezhnev had told Brandt that a moratorium could go into effect without lengthy negotiations through bilateral statements of intent and it need not prohibit technical preparations for an installation of missiles in the future.

A "zero option"--a complete disabandonment of the installation of missiles--must affect the weapons systems on both sides, Schmidt said in his seventh point. "A realization of the zero option would presuppose that the Soviet Union removes its medium-range weapons." In this manner Schmidt made it clear that the Soviet Union could only reach its goal--the abandonment by the West of counterarming--if it were to give up its own lead. The realization by Moscow of this prerequisite would bring both sides closer to the goal of creating a balance on a lower level, Schmidt said. The imbalance which had induced the West to counterarm had exclusively been brought about by the Soviet Union. The discussion following Brandt's Moscow visit did not answer the question whether a "zero option"--advocated by Brandt--must in like manner be binding on both sides.

During the cabinet meeting Schmidt and Genscher called attention to French President Mitterrand, who had affirmed Bonn's position with his own support of the counterarming resolution. Mitterrand even went beyond the double resolution when he stated that in his opinion negotiations could only promise results on the basis of counterarming. Schmidt, on the other hand, the "creator of the double resolution," had always supported parallelism with respect to negotiations and counterarming.

Becker's general assessment was that none of the cabinet members had expressed the opinion that Brandt's talks would facilitate negotiations between Washington and Moscow.

8991

CSO: 3103/367

RHINELAND-PALATINATE SPD, RAU SUPPORT NATO DECISION

Bonn DIE WELT in German 29 Jun 81 p 4

[Article by G. Bading: "Rau Wants To Back Schmidt"]

[Text] Cologne --During the Land party congress of the North-Rhine-Westphalia's SPD, Minister President Johannes Rau referred to the "difficult political situation the Federal Government is experiencing, at times facing considerable adversity," and he pointed to the fact that the Social Democrats "had labored for 20 years" to come to power. At that time they only succeeded because they always put their own little quarrels aside rather than letting them become an object for dissension.

Heeding these words by their head of government, North-Rhine-Westphalia's SPD stood behind Chancellor Schmidt and their Land chairman, Minister President Johannes Rau, demonstrating their unity. During the party congress in Cologne of the largest SPD Land association there were only a few dissenting voices when a resolution was passed emphatically supporting and affirming the chancellor's peace and security policy and the NATO double resolution. Nevertheless, the delegates were concerned about the American position which--in their opinion--to date has been obscure.

Rau, who was reelected with 92 percent of the votes, called on his party--since it is the Land association with the largest membership--to make a contribution to the consolidation of the party throughout the FRG. Addressing the chancellor's critics he said: "The Social Democratic Party was and has always been the party of peace throughout the history of our people." One must not "cheer people and then desert them but stay with them until peace has been secured." The fact that the CDU is opposed to this central theme is unfortunate and to the detriment of the whole nation.

A long, controversial but objective discussion led to the adoption of a proposal on the NATO double resolution that contained many changes. It states that negotiations must take precedence, there should not be an "automatic" stationing of NATO medium-range missiles in Europe under any circumstances without the continuation of American-Soviet negotiations.

Following many hours of discussions, the delegates succeeded in having a paragraph added to the proposal presented by the Land association. It states: "The SPD and large segments of the population are concerned about the American position, which to date has been obscure." The question remains whether the United States is really willing to negotiate with the Soviet Union in the near future or whether "it" wants

to achieve a position of strength--possibly also by prior stationing of new weapons systems in Europe." North Rhine-Westphalia's Social Democrats are opposed to this position because "a position of superiority or inferiority does not make it easier but more difficult to conduct a policy of detente."

The party congress went along with Rau, who conducted lengthy preliminary negotiations with party groups about the leading proposal, insisting that a passage be included which specifically indicates support for the chancellor. The resolution contains the following statement: "The SPD supports Chancellor Helmut Schmidt in his effort for balance between the powers, for arms limitation and peaceful cooperation even with the neighbors in the East."

During the discussion the leading proposal was energetically defended, above all, by two ministers, Farthmann and Posser. Minister for Social Affairs Farthmann assured the few opponents of the resolution, particularly those with Juso connections, that the approval of the counterarming resolutions was "by no means" to be interpreted as granting "permanent unlimited powers to the United States."

Nevertheless, although Rau supported Schmidt and his policies energetically with respect to counterarming, he expressed cautious criticism of the Federal Government when it came to steel and social policies. It did not seem right that the Land of North Rhine-Westphalia was always fulfilling its obligations with respect to the steel industry, but no changes were taking place in Europe. The blame for the plight in the steel industry must be placed on the enterprises as well as their European bodies, the EC Commission and also the Federal Government. Rau's comment on the planned austerity measures was that they should not only affect the workers because they are already carrying a heavy burden.

8991

CSO: 3103/367

FDP'S BORM CRITICIZES GENSCHER, NATO DECISION

Frankfurt FRANKFURTER ALLGEMEINE in German 18 Jul 81 p 2

[Article by C.G.: "Borm: The Overall FDP Does Not Want A 'Missile Coalition'"]

[Text] Bonn, 17 July--FDP board member Borm has severely criticized FDP Chairman Genscher's foreign policy and attacked the United States and Western counterarming in strong terms. Said Borm last Friday in a Bonn interview with the Political and Parliamentary Press Service: "The FRG must not react to the American rearmament hysteria in an accepting and submissive manner." Washington's refusal to accept "legitimate Western European interests" would constitute a challenge to NATO. "The proposed nuclear rearmament on our soil and compliance with Reagan's arms race hysteria" are in conflict with social-liberal peace policy, he added. The overall FDP is not ready for a "missile coalition." If Genscher calls those in the FRG who have doubts about the United States' readiness to negotiate "spokesmen for a Moscow campaign," the FDP chairman is impugning their honor, Borm continued. He expressed praise for Brandt's trip to Moscow and considered as a confirmation of his own views Brandt's impression that the USSR is ready to facilitate the initiation of negotiations if the West were to reciprocate with a show of good will. However, he added, the West, "following the dictates of American interests, is not prepared to examine such proposals without prejudice and to reply with positive counterproposals of its own." Borm characterized the West's failure to "carefully examine" Brezhnev's proposal for a moratorium on medium-range missiles as a "neglectful omission." Said Borm: "Our foreign policy appears to be determined as much by blind faith in the United States as by an almost fanatical distrust of the Soviet Union."

9273

CSO: 3103/376

FORDE DEFENDS LABOR PARTY STANCE ON NUCLEAR ARMS ISSUES

Oslo AFTENPOSTEN in Norwegian 16 Jul 81 p 2

[Article by Minister of Church and Education Einar Forde: "Misunderstandings and Ill Will"]

[Text] The interview with Kare Willoch in the 14 July AFTENPOSTEN on the Labor Party and our work on an area free of nuclear weapons in the Nordic countries is based on so many misunderstandings and so much ill will, and particularly in regard to what actually happened during my trip to Moscow, that I want to make an attempt at clarifying matters.

1. I never have stated that the Soviets' desire to discuss guarantees for the nonuse of nuclear weapons against targets in an area in the Nordic countries free of nuclear weapons was "something new." Willoch is correct in saying that such a guarantee has been discussed for a long time. It was also repeated in Brezhnev's interview in a Finnish newspaper which now has become so very well known. My point is that that element is interesting in our debate, and particularly against the background of the objections to the Labor Party's program the various spokesmen of the Conservative Party have come up with. Furthermore, I stated that it was interesting when, during the discussions in Moscow, I got more precise information regarding what Brezhnev calls "other initiatives," learning that such initiatives would be in the nature of indications that the Soviet Union might be willing to discuss a reduction in the number of nuclear weapons and the deployment of such weapons. My conversations in Moscow strengthened my conviction that the Soviets' various proposals on this subject include elements which are markedly tactical in nature, but in my opinion it would be irresponsible to reject the most recent signals from the Soviet side completely, as a tactical measure, and to refuse to investigate the genuineness of the signals.

2. It is also the Labor Party's opinion that this is a matter which must be seen in connection with solutions reached by joint negotiations between NATO and the Warsaw Pact on disarmament efforts. Neither during my visit to Moscow nor at any other time has any responsible official of the Labor Party stated that we desire bilateral or Nordic negotiations with the Soviet Union, but I assume that Willoch will agree that we Norwegians and citizens of the Nordic countries have an independent responsibility to gain an understanding of the matter and continue to work on it. Since Willoch felt it necessary to use the phrase "NATO opponent Forde" on another, earlier, occasion, casting suspicion on what I actually did in Moscow in that way, I should like once again to stress the fact that the Labor Party's deputy chairman naturally

takes his stand on a unanimous decision at the party's national congress on that point. I would also like to point out that I have emphasized the fact, on various occasions, that the existing conditions of equilibrium and alliance in the Nordic countries constitute a condition which must prevail if the item on our program regarding an area free of nuclear weapons in the Nordic countries is to be put into effect. On that point, I am less and less impressed by the level on which Willoch debates.

3. Willoch does not like the fact that contact was made in the Soviet Union, on a party basis, in regard to important questions of foreign policy. I would like to remind my readers here that an essential reason why we had a period of detente, on the whole, at one time in Europe, was that contacts of that sort existed between a West European Social Democratic Party and the CPSU. Where the Labor Party is concerned, we now are trying to prepare for a systematic program of work which will involve contacts on various levels with many countries and parties. It would be rather impractical if we did not make use of a contact in Moscow which was established many years ago, and abandoned our chances both to give and receive information in this situation. If I assess the seriousness of the situation correctly, it is necessary to talk with each other more now, and not less, across the boundary between the two blocs.

4. I must insist that, on this matter, the Conservative Party has displayed a surprising lack of imagination and initiative and that the party involved in the debate has been the element which held back in the work for detente and peace for such a long time. The most recent interview with Willoch does not give any indications of a changing of positions, but the party still constitutes the most important hindrance to the work for an area free of nuclear weapons in the Nordic countries. It is not obvious that that should be the Conservative Party's role. To illustrate what I mean, I will refer to pages 168-170 in John Lyng's memoirs, "Mellom Ost og Vest" [Between East and West]. At that point, he tells how Prime Minister Kosygin brought up the old idea of a Russian guarantee of Norwegian neutrality and integrity. In that regard, Lyng writes: "No responsible politician could dismiss such a subject regarding such a central problem." He also writes: "It is not a natural situation for Europe and the Atlantic area to be located in a field of permanent tension between two massive power blocs. And if one does not want to recognize such an unnatural situation as permanent and unchangeable, then one must ponder a bit as to how an end can be put to it." Lyng talks about much more radical proposals there than those we are now working on in the Labor Party. Is it so strange that we miss Lyng's flexibility and imagination if we are satisfied with reading the extremely dogmatic thoughts of Willoch and Langslet these days?

5. In the same number of AFTENPOSTEN, Major General Paul M. Strande had an article entitled "Forde Pulls the Wool Over Our Eyes." On that article, I only want to say that it is based on an interpretation of my views which hasn't even the slightest shred of a foundation in what I actually said. Furthermore, the article as a whole is a plea against the very thought of an area free of nuclear weapons in the Nordic countries which not only hits the item on the Labor Party's program, but also, to a large extent, the nonsocialist Common Market which Willoch cites.

In the light of a kind testimonial to the Minister of Church and Education's ability to know all about such questions, I can perhaps reply that General Strande's article is a strong piece of evidence which indicates that war is not the only thing which is too serious a matter to be left to General Strande.

9266

CSO: 3108/171

PAPER CRITICIZES STEEN ON HANDLING OF NUCLEAR ARMS ISSUES

Oslo AFTENPOSTEN in Norwegian 16 Jul 81 p 2

[Editorial: "Debate with Cold Shudders"]

[Text] We are approaching the election, and one should begin to be aware that the temperature is rising and the language used in the debate is becoming pithier. One's own and one's party's splendid attitudes and deserts should be accentuated, while at the same time one must unceasingly tell the voters that the other parties are completely unacceptable and that their spokesmen cannot be trusted. That is almost the way things have to be. But even during election campaigns there should generally be a limit. The demand for general good manners should carry weight, and realization of that fact makes one try to conform. The Chairman of the Foreign Affairs Committee of the Storting, Reiulf Steen, appears to be having some difficulty in that respect. The fact that he is fully engaged emotionally in the security debate is straightforward enough, but less straightforward is the fact that he makes it seem that everyone who does not agree with his views is simply uttering falsehoods and casting suspicion in an unjustified manner. And as if that had not been enough, he said: "Not since the infamous Senator Joseph McCarthy was unveiled right before the eyes of millions of American TV viewers in the fall of 1954 can I remember that his methods have been employed as assiduously as we have seen them employed in certain cases in the Norwegian debate during the past few weeks."

We are publishing that statement of Steen's at the risk of being hauled into court for complicity in disseminating serious defamatory remarks, and we would like to add: Is it really Steen who talks about casting suspicion on individuals? Is it Steen who so outspokenly describes the failings of others? Is it Steen who is so audacious as to attribute the responsibility for "cold shudders" to the Conservative Party? And he does so without saying a word about where the cold shudders actually came from!

If we must talk about them, the cold shudders had their origin in the Eastern dictatorships. Steen is right when he talks about anxiety and fear in our part of the world. He is mistaken when he believes that that anxiety and that (justified) fear would disappear if we allowed ourselves to be tempted to act more or less independently and if NATO opponent Forde comes back from Moscow with assurances of recent vintage. Steen and his people do not have a monopoly on the desire for peace. People in all parties are seriously concerned about the tense situation throughout the world. What is involved is something more than an election campaign theme over which the various parties can fight word duels. What is involved is the fact that many people have begun to see, with anxiety, that the clarity which used to prevail in regard to this

question is surrounded by banks of fog now and that somebody seems to want to change the line for which there had been full support in the past. We should not accuse Steen of anything which would give him an opportunity to hang any new labels on those who do not agree with his views. What we are concerned about is the fact that the chairman of the Foreign Affairs Committee has caused a good many "ordinary" people to ask whether the Labor Party is on the point of changing course and whether the firmness and clarity which have been perceptible up until now, and which people liked to see, are about to come apart at the seams.

Of course we should have debates on security policy, too, but it is apparent that one can behave and express oneself in such a way that doubt is raised in regard to our affiliations. We belong to the Western defense alliance. Because of that fact, we have been able to preserve the necessary assurance and independence. Because of Western solidarity, we have peace in our part of the world. Naturally, we must negotiate with the Russians on disarmament, but we must do that together with our allies. One must fight against the urge to go it alone, for that results in uncertainty. One must take isolated assurances from the Kremlin with a grain of salt, and speeches in the Kremlin concluded with a toast should be met with abstemiousness.

So Steen is welcome to accuse us of "McCarthyism." What we want to stick to, and want to reiterate, is the fact that NATO is a unit and that negotiations with the Russians and sounding out the Russians are joint concerns.

9266

CSO: 3108/171

SWEDISH ELECTRIC RATES LOWEST IN EUROPE

Stockholm: SVENSKA DAGBLADET in Swedish 27 Jun 81 p 16

[Report by Björn Anders Olson]

[Text] Prices of electricity are rising more slowly in Sweden than in any other industrial country. Rates here are the lowest in Europe, and only three industrial countries in the world have lower prices for electricity.

This is brought out in a study done by the National Utility Service (NUS) in Great Britain for the period April 1980 to April 1981.

That Sweden and some other countries can maintain low electric rates is explained, according to the NUS, by good access to water power and a heavy reliance on nuclear power.

Belgium, on the other hand, depends on imported oil for its production of electricity. That country therefore has the highest electricity prices and the highest rate of price increase.

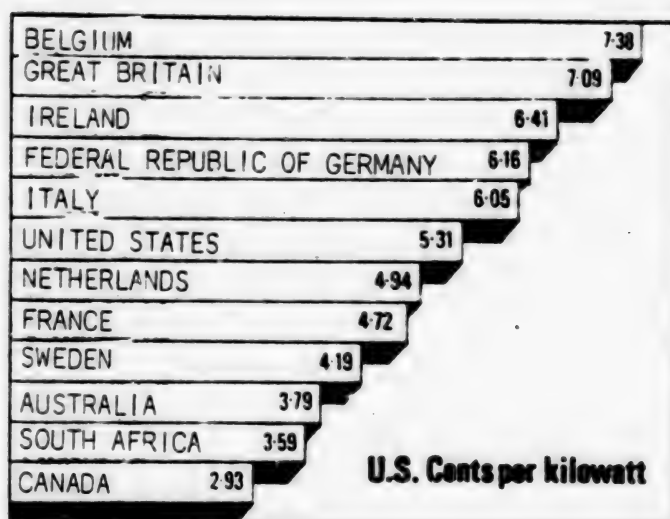
In its analysis of the Swedish electricity situation the NUS emphasizes water power and the reliance on nuclear power. During the period the part of the total electric power production accounted for by nuclear power increased from 22 to 27 percent. That also means a diminishing dependence on oil.

A run-through country by country gives the following picture of the electric power situation, all prices in American cents (1 cent = ca. 5 öre):

Belgium has the highest electricity price, 7.38 cents per kilowatt. During the period the electricity prices increased by 30.9 percent compared with an inflation of barely 10 percent. Oil accounts for 34 percent of electric power production.

France is well ahead. The price increase stopped at 6.8 percent and one kilowatt costs 4.72 cents, the second cheapest in Europe. Here, too, according to NUS the explanation is reliance on nuclear power.

Italy is still far down on the price list in Europe, 6.05 percent, but on the other hand shows the second highest rate of increase, 26 percent. During the preceding period the price increase was as high as 37 percent. The explanation lies



Source: National Utility Service

Belgium has Europe's highest price for electricity and Sweden the fourth lowest price in the world, according to NUS's study. The prices are in American cents per kilowatt.

largely in the fact that the state subsidies are being abolished.

The Federal Republic of Germany noted a price increase on electricity of 15.8 percent, which is 3 times as high as the rate of inflation. One kilowatt costs 6.16 cents.

Great Britain noted a somewhat higher price increase than the FRG, 16.7 percent. Great Britain also has the second highest price for electricity, 7.09 cents. NUS believes there will be a continued fast rise in the price of electricity in Great Britain, well above the rate of inflation, and this will have repercussions on the already hard-pressed industry.

Of non-European countries, Canada, the United States, Australia, and South Africa were specially considered.

Canada has the lowest price for electricity, 2.93 cents, and a rate of increase of 8.5 percent; South Africa 3.59 cents, rate of increase 13.3 percent; Australia 3.79 cents, increase 16.8 percent. The United States differs strikingly; the price of electricity is 5.31 cents and the increase 22.1 percent, the third highest in the study, which is based on interviews with 750,000 consumers all over the world.

Sweden thus comes through quite well in an international comparison. The price of electricity is the fourth lowest, 4.19 cents per kilowatt, and the price increase by far the lowest, 4.4 percent, compared to an inflation nearly three times as high.

REPORT SEES PROBLEMS WITH FOREST-WASTE ENERGY SUPPLY

Stockholm SVENSKA DAGBLADET in Swedish 24 Jun 81 p 9

[Article by Roland Berndt]

[Text] In 1990 only 2 percent of the heating needs in the Stockholm district can be covered with forest waste and brushwood. For the use to become economically profitable requires importation of chips from other districts, the use of straw, and for the district to get energy forests on a large scale.

That is evident from the district government's study "Skogsenergi, tillgång och efterfrågan i Stockholm län" [Forest Energy: Supply and Demand in the Stockholm District]. The study shows that the use of wood as fuel reached a bottom level in the beginning of the 1970's, but that there has been an increase since the oil crisis of 1973. But the increase is small; 2 years ago the private heating in homes in the district corresponded to 5,000 m³ of heating oil.

Of the forest waste that the district government expects can be used as fuel, three fourths will be used in three large-scale installations: the Drefviken power plant, in which Haninge and Tyresö cooperate; in the Norrtälje commune; and at the Hallsta paper mill.

Wood Cheaper

In most cases, according to the district government, it is cheaper to use wood of higher quality than to use forest waste.

"There is a competitive situation between use of wood as fuel and the wood products industry," says Jan Viira, planning director with the district government. "With today's techniques it is expensive to use forest waste as fuel."

The use of forest waste on a large scale can be made acceptable from the environmental point of view by smoke gas purification, in the district government's view, but burning it in densely built-up areas causes considerable environmental problems. The study therefore does not count on any increase in home heating with chips.

100 Full-Time Jobs

The very limited use of forest waste will probably provide full-time employment for 100 persons at most in 1990, most of them employed in heavily forested communes like Norrtälje.

"Now we will not do anything more toward the use of forest waste as fuel for a while," says Jan Viira. "We are waiting for new directives from the government. But we are including it within the framework of district planning."

8815

CSO: 3109/217

USE OF PEAT AS ENERGY SOURCE INCREASING RAPIDLY

Stockholm SVENSKA DAGBLADET in Swedish 23 Jun 81 p 8

[Report by Bosse Pettersson]

[Text] The mining of peat for energy is getting under way now on a large scale in Sweden. In Skellefteå 10,000 tons of peat will be cut from the bogs in the area for use as fuel in the city's hot water heating plant this year.

Thus far companies, communes, and private persons have obtained permits to cut or to prospect for peat on about 70,000 hectares (173,000 acres) of ground.

That is an area about half the size of Öland (530 square miles).

After Skellefteå commune comes Assia, which will start peat cuttings in Arvidsjaur next year. Eventually they will yield 80,000 tons of peat to burn in the Lövholm plant in Piteå. In 1982 peat cutting will also begin in Färgelanda in Dalsland, which will supply the Åmål commune with peat.

Renewed Interest

Since peat disappeared as a fuel in Sweden nearly 15 years ago, peat has only been used as a soil-improving agent; about 300,000 tons is cut a year. But it does not do so well as fuel. When oil prices doubled after the crisis of 1974, peat became of interest once more. The government took the right to the peat (as a fuel) away from the landowners by a change in the minerals law in 1975. From then on it has been necessary to get a permit (concession) to cut peat. Peat was thus classed as an energy mineral of importance to society. But there was no rush for peat until oil prices rose further, in 1978 and 1979.

Today the government has issued nearly 30 permits for peat cutting. Some 25 are waiting for the go-ahead. Over 100 prospecting permits have been given out and some 80 are standing in line.

Most of the peat cuttings will be in Norrbotten and Västerbotten. However, a good deal of exploitation can also be expected in Småland. Gislaved's rubber factory and Södra Skogsägarna (Southern Forest Owners) are interested in cutting peat for their own plants.

The great majority of the peat cutters are companies and communes interested in supplying themselves. Umeå commune, e.g., which has 17 concessions, is planning to fire a combination power and heating plant with peat starting in 1985 and will need 250,000 tons a year. Assi will need a similar amount for the Karlsborg plant in Haparanda when it is completed in 1987.

For Sale Also

But there are also firms that hope for a free market for the sale of peat. Among these are Råsjö Torv in Hudiksvall and the construction firm ABV, which has applied for prospecting permits for over 20,000 hectares (ca. 50,000 acres) in Dalsland and northern Västergötland. The Crown Lands Board must also be counted here; its subsidiary Svenska Torv AB is planning to invest over 100 million kronor in peat for fuel in the next 5 years. Svenska Torv and Hasselfors' plant in Närke are the biggest producers of peat for fertilizer. They can easily go further and cut energy peat in the bogs they already have (Hasselfors is cutting peat at 8 to 10 places today) if it becomes profitable.

And peat does look to be profitable--to judge by the expansion plans. At least that is true with today's oil prices. Peat costs about 50 kronor per m^3 . It takes about 12 to 14 times as much peat as oil to get the same amount of energy. It thus costs about 700 kronor to get the energy from peat that can be gotten from a m^3 of oil. Since heavy oil costs over 1,000 kronor per m^3 , that looks like good business if you only look at the cost of the raw materials.

The disadvantage with peat is the high investment costs. In Skellefteå the new hot water heating plant for solid fuel cost 15 million kronor. An oil-fired boiler would have run 2 to 3 million kronor.

Transport Problem

Another disadvantage is the transport costs. It is usually considered unprofitable to ship peat more than 10 to 15 [Swedish] miles, and that puts a demand on the producer to find a market somewhere near the bog.

But that problem would disappear if the peat could be processed into pellets, briquettes, or the like. Further processing would also provide employment at the bogs when cutting is not going on. Peat can only be "harvested" in the summer, and then only in dry weather.

The production of peat for energy will remain very modest for the next few years. Next year perhaps 50,000 tons will be cut at most. The goal in the government's energy bill is for 10 terawatt hours to come from peat in 1990. That corresponds (roughly) to 4.5 million tons a year. To push the development, the government is making a contribution to peat firing. Assi, e.g., got 34 million kronor for the Lövhölm plant, and Skellefteå commune got a good 8 million.

At the State Board of Industry (SIND) the politicians' goal is still regarded as very high. It would require 16,000 to 30,000 hectares to come into active production. Under present conditions there will be 4,000 hectares by 1985-1986, since it takes 3 to 4 years to get production going.

Besides the uncertainty of oil prices, there are also political threats to the advance of peat. From 1 July 1982 on it will be the district governments that issue

permits, both for study and for cutting. Today the government decides on cutting and SIND on study. SIND deals with applications concerning cutting.

Increased Bureaucracy

At SIND there is a fear that this will lead to slower processing and an unnecessary bureaucratization. What 3 or 4 persons take care of at SIND will be looked after by 1 or 2 persons in each and every one of the 24 district governments.

Instead, SIND would like to get to decide itself on permits for cutting as well. They also want to simplify the giving of concessions for peat cuttings that are less than 100 hectares.

Another threat is the ideas concerning commune monopoly on peat cutting that are cherished in the Center Party.

"That would put the cap on it," says Hans-Göran Jansson, office director at SIND. "Then we would not reach any energy goal. The firms are determined that there shall be no monopoly now."

A third and incalculable factor is environmentalist demands. Peat cutting involves great interference in the landscape, and Svenska Torv, e.g., has already been forced to drop a big project in the Växjö tract.

8815

CS0: 3109/217

FUEL, CIGARETTE PRICES INCREASE

New Prices

Nicosia O AGON in Greek 1 Jul 81 p 1

[Text] Following hikes for gasoline and petroleum products in general, now cigarettes are also increasing in price--besides the chain of increases which are expected in other products.

The increase in cigarette prices is expected to range between 10-15 mils per pack of 20 cigarettes.

As was stated to O AGON yesterday, already there is an agreement between the government and the companies on a new increase in the price of cigarettes, whose implementation was postponed until the announcement of the increases in the prices for petroleum products.

Cigarette prices increased a few months ago, but these increases are not considered sufficient to offset the increased costs incurred by the companies.

Fuels

Meanwhile:

Petroleum received the lion's share yesterday, increasing by 20 percent, as compared to the 9 percent which was imposed on gasoline.

Despite the new increase in petroleum-product prices which was announced yesterday by the Ministry of Commerce, the price of gasoline is still about two and a half times larger than that of petroleum.

According to the new prices which went into effect yesterday, the price of gasoline increased to 1,500 mils per gallon (1,370 mils was the previous price), and that of petroleum increased to 600 mils per gallon (the previous price was 500 mils).

The new prices are as follows:

Liquified gas, 1,500 mils/ten kilograms
Premium gasoline, 1,500 mils/gallon
Regular gasoline, 1,400 mils/gallon

Kerosene, 600 mils/gallon
Crude petroleum, 600 mils/gallon
Light mazut, 350 mils/gallon
Asphalt 80/100, 90,000 mils/metric ton
Asphalt 60/70, 91,000 mils/metric ton
Asphalt S 125, 103,000 mils/metric ton

Commerce, Industry Minister Comments

Nicosia O AGON in Greek 1 Jul 81 p 8

[Text] In his statement on television yesterday night in reference to the new increase in petroleum-product prices, Minister of Commerce and Industry Kittis stated that this increase is unavoidable.

Kittis said that from July of last year until May of the current year such increases came to 17 percent. Kittis admitted that the price of crude petroleum will decrease to \$36.93 per barrel, as compared to what existed until yesterday, which was \$37.50 a barrel.

One primary reason for these increases is the appreciation of the dollar during the last 12 months, which comes to 18 percent.

"Consequently," he added, "it is obvious that the revision of prices was necessary. It should be noted that we are not the only country which has increased its prices. To mention only one example, Switzerland has imposed an increase recently also."

The fixing of the prices for the various petroleum products was another issue which seriously concerned the government. In order to have the most equitable possible apportionment, a special expert enjoying an international prestige was called in, who drew up the plan for apportioning this increase. In any case, this plan was submitted also to the Price Committee. The need to prepare this study is also the only reason for the delay in readjusting the prices.

Commotion

Commotion and desperation are prevalent among the farmers of the Kokkinokhoria region, following yesterday's new increases in petroleum-product prices.

The residents of the Kokkinokhoria area are protesting very vigorously because their region, which has been victimized by a chronic water-shortage problem, cannot bear an additional financial burden and is not able to suffer other financial damage either.

Leading figures in the Kokkinokhoria area have begun mobilization efforts and have planned a protest action, and they are calling on the government to take the necessary measures to avoid the intolerable step of increasing fuel prices.

Among other actions taken, the people directly affected visited yesterday the DISY [Democratic Rally] deputy, Khr. Solomis, and expressed to him their indignation.

After meeting with the representative leaders of Kokkinokhoria, with whom he examined the serious problems of its water supply and of increases in petroleum-product prices, Solomis said that he will take part in meetings which will be held at Paralimni within the next few days.

The Farmers

The agricultural community is discouraged by the new increases in the petroleum prices, and the PEK [Pan Agrarian Union of Cyprus] has warned that yesterday's decision by the government will force the farmers to abandon their occupation.

An announcement by PEK says that the new increase has given rise to great discouragement in the agricultural community, where prices for petroleum products have been absorbing most of their incomes, making the occupation of farmer unprofitable.

Now, with the new increases the occupation of farmer-stockbreeder will be abandoned, says the PEK announcement, because the chain of increases in the various prices for raw materials, which contribute to the cost of production, will not allow people to continue working in this occupation.

The PEK has sent a telegram of protest to President Kyprianou, in which it stresses that it insists on a 20-percent subsidy for petroleum used for agricultural purposes.

Moreover, in another telegram to President Kyprianou, the EKA [Union of Cypriot Farmers] stresses that the increases are raising the production costs--something which will have repercussions on the marketing of the products on the international markets.

The EKA is asking for a subsidy to cover part of the price of petroleum for agricultural purposes, and for the nationalization of the refinery so as to do away with the profits of the companies, since this will help to reduce costs for such fuels.

Editorial Analysis

Nicosia O AGON in Greek 1 Jul 81 p 1

[Text] The behavior of the government on the issue of increasing the price of petroleum products differs very little from the behavior of an offender who, after committing a very serious offense and knowing that his arrest and conviction is certain, begins to prepare his defense immediately after the commission of the offense.

Thus the government as well--after announcing very early yesterday morning the new, unacceptable, unjustified, and undemocratic increase in prices for petroleum products, and knowing that there is no justification for this new levy and that it will face a popular outcry and expressions of indignation--preannounced at the same time its defense as well, saying that the minister of commerce and industry will appear on television to examine the reasons which necessitated this new and undemocratic taxation!

Of course, excuses can be offered for even the greatest transgression. But the main point is not what the defense for it is. The main point is that an offense has been committed, and that painful consequences have arisen from the commission of it.

Consequently we do not doubt that the government can offer excuses and can give whatever reasons it wants in revealing the cause of this new blood-letting of the people which it has introduced.

But what are the facts of the case?

The facts are that yet another undemocratic levy has been imposed which will greatly distress the people, and especially the lower classes. The facts are that scarcely had the election-campaign period passed when the government felt that its hands were no longer tied, and it began once again its familiar tactics whose objective is to bleed white the people.

Thus, immediately after the elections, price increases for many items were announced, the abolition of the cost-of-living allowance--or rather its disassociation from petroleum products--was decreed, and now increases in petroleum-product prices are being announced, and God knows what next.

But what meaning does yesterday's increase in fuel prices have, aside from it being the imposition of a purely undemocratic taxation?

Throughout the world, the price of petroleum is experiencing a steep drop. Logically, our people ought to expect at the very least that prices for petroleum products would be maintained at their present levels. But instead of this the government is beginning to "fire up" prices and to burn the people.

At the same time, it comes to light that:

The new increase and the new tribulations of the people are due, among other things, to the short-sighted policy of the government.

It turns out that the government's insistence on procuring petroleum products from only one source, and specifically from Iraq alone, is detrimental to the interests of the country. Iraq is selling us petroleum dearly, at a price much higher than the oil sold in the international market, the result being that now the people are being called upon to pay for the damage caused by serious governmental blunders.

Unfortunately we cannot overlook the fact that this new and very onerous taxation comes only a few days after the proclamations of President Kyprianou at Astro-meritis about the concern of the government for the people and workers, and his denials that the taking of undemocratic and anti-labor measures was imminent.

President Kyprianou spoke with the voice of Jacob. But a few hours later the government, with the hands of Isau, began to burn the people. Once again it applied the tactics of saying one thing to satisfy the people, and doing the exact opposite in decapitating the people!

We believe that the moment has come for the trade-union movement to prove that it is not lagging behind and is not simply a spectator to the government's actions, which are aimed at bleeding white the people financially. Because this new levy is not the end. It is the beginning. It will be the spark for a new and vicious circle of increases in prices and incomes. It will create new inflationary pressures. It will damage the meager financial resources of the middle and poorer classes. And finally the government, like another Pilate, will come to wash its hands of the matter, saying to us that economically we are doing well but that the people need to make even more sacrifices and practice more frugality!

The deceiving of the people thereby becomes more seductive, and the need for the people to defend themselves becomes imperative if they are to survive economically. And this self-defense against governmental indifference is now a duty and an obligation of the trade-union movement, which at last is being called upon to pass on from the stage of issuing formal protest announcements to more substantial and practical steps for dealing with the government's arbitrary acts.

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CSO: 4621/31

ENCOURAGING DROP IN INFLATION REPORTED

Athens I KATHIMERINI in Greek 12-13 Jul 81 pp 1, 3

[Article by N. Nikolaou: "Private Sector Being Encouraged"]

[Text] The inflation rate is slackening and the appropriate government authorities are now optimistic more than ever that they will be able to drop it this year to a level below 20 percent. According to our information, the Ministry of Coordination appropriate service forecasts in a report submitted to Minister Ioan. Palaiokrassas that throughout 1981 inflation will be held at the 18.6 percent level. If this prediction comes true (a serious threat is ever present since the wholesale price index is moving at a 30 percent rate) then without doubt it will be the first time in 3 years that inflation fever will show signs of falling off. It is reminded that in 1979 the price index increased by 24.8 percent and in 1980 by 26.2 percent.

Most important of all, however, is that if the price rise rate shows a sagging tendency then the government economic policy will develop more freely and boldly since it will no longer be planned under the fear and threat of an inflationary downside. Specifically, in the coming months the credit restrictions to the private sector of the economy should be slackened more so that industrial production and building activity can be revitalized through the channeling of abundant bank money. Also, the Public Investments Program should be accelerated (this program is helped this year by the EEC Regional Fund which granted 11 billion drachmas) as should the investments of public enterprises and organizations (Public Power Corporation [DEI], Greek Tourist Organisation [OTE], Railways Organization of Greece, etc.) so as to employ as much manpower as possible thus avoiding a rise in unemployment which to this day is being held at tolerable levels (3.2 percent of the labor force) but which will increase if the economic recession continues as OECD also predicts.

Revitalization

Even though the election campaign now underway makes private initiative reluctant to undertake any activity, the government nonetheless is exerting, especially under its new deputy premier, Evang. Averof, intensive efforts which even in the event they fail to have immediate results will clearly improve the psychological climate. Already Averof has held continuous and frequent talks with representatives of the productive classes. To this moment, these contacts have proved fruitful since they strengthen the confidence of these classes in the government.

As some entrepreneur put it, "We do not, of course, expect Averof to solve all our problems especially during this preelection period. It will be enough, however, if he deals with them in a positive way as concerns the future and this will make us regain our confidence in the government's economic policy."

In any case, bank financing has increased considerably within the framework of encouraging the private sector of the economy. According to preliminary Bank of Greece data, from 1 January to 20 June 1980, the credits extended by commercial banks increased by 40,238 million drachmas compared to 12,596 million drachmas during the corresponding 1980 period. It is anticipated that this increase will be higher during the second half of the year.

The Dollar

Undoubtedly the rise in the price index in recent months would have been more subdued had it not been for the unreasonably spectacular rise of the price of the dollar against the drachma and other European currencies, a rise which resulted in tidal waves in the European market since the cost of all imported goods paid in dollars increased if computed in terms of a domestic currency. That this inflationary pressure is tremendous is evidenced by the fact that while in June 1980 the average value of the dollar was 43.320 drachmas, this June it reached 58.058 drachmas and has now exceeded 61.50 drachmas. Within a year, that is, the drachma was devalued by 25.4 percent vis a vis the dollar. This resulted in a corresponding price increase in drachmas of all imported items and paid in dollars such as are fuels, metals, chemicals and most raw materials.

But the inflationary effect of the dollar upvaluation does not end here. The public deficits are also increasing because of the greater cost for servicing the public debt. As is known, most, if not all, the loans by the state and public enterprises are made in dollars and for servicing these loans (interest and redemption service) the state pays more and more drachmas. For this year's interest and redemption installments alone the public budget will pay, due to the dollar upvaluation, 15 billion drachmas more than the budget provides. For the same reason, the fuel management account also will show a deficit. For these reasons Coordination Minister Io. Palaiokrassas has already directed all public enterprises (DEI, OTE, etc.) which are seeking loans abroad to contract such loans in other currencies (mark, yen, pound, etc.).

June Developments

As concerns the price index, the Statistical Service of Greece estimates its increase in June to be 1.8 percent compared to an increase of 2.6 percent in June 1980. Specifically, the 1.8 percent increase is formed partially by the following percentage increases because of the price increases for goods and services.

a. Rice, 0.01 (percent); veal-pork meat, 0.17; pork products [sausage, etc.], 0.02; vegetable fat, 0.01; condensed milk, 0.02; dairy products, 0.35; eggs, 0.01; fresh fruits and citrus fruits, 0.36; candies, 0.01; canned goods, 0.01; souvlakia, 0.05; salt, 0.01; coffeehouse beverages, 0.08; mineral water, 0.01; alcoholic beverages, 0.01; summer clothing, 0.80; summer footwear, 0.11; rents, 0.04; house

repairs, 0.01; summer movie theater tickets, 0.11; house equipment items, 0.04; automobiles, 0.02; and small increases on various items, 0.08. By contrast, the price of fresh vegetables dropped by 0.53 percent; frozen meats, 7.17.

Generally, the first half of 1981 showed an improvement since the price index increased by 11.2 percent compared to increases of 13.8 percent and 11.8 percent during the corresponding 1980 and 1979 periods. Progress, however, was limited and Greece still continues to have almost the highest inflation rate in Europe (among 24 OECD countries it comes third after Turkey and Iceland) since this June also inflation was running at a rate of 23.3 percent (on an annual basis). However, the authorities believe that this galloping inflation has reached its peak and is already slackening. They recall that in the same month last year the inflation rate had reached 27 percent. Thus, progress was marked, albeit at great cost (postponement in readjusting the price lists of public services).

The factors which can be cited as an explanation for the slackening of the inflation rate are:

a. The restriction of demand and the high inflation of previous years eroded the real incomes. The volume of retail sales the first 4 months dropped by 2.5 percent (however, in this case also, thanks to the 1981 overall income policy there is some progress since the drop in the same period last year was 3.9 percent).

b. The success of the price liberalization policy which put into motion the competition forces.

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CSO: 4621/36

TRADE RELATIONS WITH CEMA SAID TO BE WANING

Rome IL SETTIMANALE in Italian 9 Jun 81 pp 84-86

[Article by Giano Accame: "Now, Comrades, You Can Consume"]

[Text] With the profit system reintroduced, those who do not produce must now be satisfied with the minimum wage. Ognyan Doynov wanted to create the first East European "Confindustria" [Italian Manufacturers Association] to defend managers in their battles with the bureaucracy.

Sofia is all newly repainted, for the 12th Bulgarian Communist Party Congress, held in April, and for the celebrations of the 1300th year of the Bulgarian state, which continue to attract delegations from all parts of the world. Shops are filled with merchandise and at Plovdiv there was recently held the first international fair for consumer goods ever held in Bulgaria--a clear sign for the domestic market and reflecting, moreover, the decisions of the congress.

The first phase, the so-called "socialist construction" phase having been concluded for some time and with the phase of "advanced socialist society" underway, Bulgaria is now in its own way beginning the consumer era. It begins on a consolidated politico-social base and precisely because of that it can experiment with more flexible economic models adaptable to basic principles of management operations.

In other words, it is a very interesting period in the developmental process of one of the least known Eastern European countries from the journalistic point of view, having attracted less attention for any unusual developments. It does not have Poland's social upheavals, Romania's flights in foreign policy, East Germany's records in efficiency, Hungary's first prize in developing new forms of trade, nor has it experienced Czechoslovakia's vicissitudes.

Nevertheless, under the surface of a bureaucratic routine this very faithful ally of the Soviet Union is changing. (Unlike other countries, the Bulgarian people have always been favorably disposed toward Russia, for historic reasons connected with struggles for freedom from Turkish domination).

It presents novel elements which it would be a mistake for businessmen and students of economic processes to underestimate.

The more so for Italian businessmen, who are in danger of losing ground in Bulgaria as well as in all Eastern European markets after having for years enjoyed the most pre-eminent positions. Last year we imported merchandise from CEMA to the value of 4,601 billions [lire] (with an increase of 42 percent with respect to 1979) and we exported barely 2,363 billion. It is a strange contradiction: the more our country goes to the left the less business is transacted with our partners in the so-called "socialist camp."

Nevertheless even these things do not just happen by chance. At the Plovdiv consumer goods fair the Italian representation was absolutely pitiful. I do not say this for the 5 or 6 Italian participants who were there and who in some cases aroused a well justified interest on the part of the public, but rather because of the lack of participation. A country like Libya, which has nothing to offer aside from petroleum, was represented with a splendid pavillion while our Institute for Foreign Trade which has for years made the general rule of absenting itself from bazaar-fairs, was not even to be seen there. In general terms, such a decision might even be a reasonable one and the Plovdiv fair had some errors in its basic plans: too long (10 days) and thus rather costly for the participants, who in fact could have gotten the same commercial results at the normal fall session of the fair, to which they will have to return.

Hence there are representation considerations which must be taken into account, the more so since the host country has a state-run economy only just beginning a five-year plan projecting a certain consumeristic relaxation in the quality of life and permitting the introduction of some business considerations.

The increased distribution to shops of a quantitatively and qualitatively improved supply of merchandise, already underway for several years and even downright routine in some ways, is moreover but one aspect of the "new economic approach and the new economic mechanism" being experimented with in Bulgaria. The joining of the two expressions (new economic approach and new economic mechanism) has already become a part of the ritualistic language of the party under Zhivkov's guidance, but above all there has been a gradual, effective change in conduct under the pressure of the new political and managerial generation, of the politburo's ideologist, Aleksandur Lilov, of the same politburo's young economic expert, Ognyan Doynov, of the foreign trade minister, Khristo Khristov, even the new president of the Bulgarian Chamber of Commerce, engineer Petur Rusev, (to mention someone with whom I was able to have a broad direct exchange of views) and the permanent secretary of the Bulgarian "Confindustria," Blagoy Ganev.

For example it is a surprise to meet Ganev, the permanent secretary of the Industrialists' Association, a young Harvard-style man who can in some ways be considered the Bulgarian model of Alfredo Solustri, general manager of Confindustria, and with whom Ganev has a cooperation agreement. Naturally the Bulgarian Industrialists Association can group together only public enterprises, since private ones do not exist. But it has no other partners in Eastern Europe to deal with, it being for the time being the only experiment of its kind. Perhaps if it shows it can function, others will copy it. The association, which has a luxurious headquarters in a residential section of Sofia (we had to search quite a while in a taxi to find it, since for the present it is not one of the well-known addresses in the capital), gives one the impression of being something like an empty box, awaiting the time to define and carry out its proper role.

In part it is to provide the association's president, Ognyan Doynov, a calling card, for meetings with Western business circles, that would be less obviously of the party than one coming from a member of the politburo of the BCP [Bulgarian Communist Party]. However, among the functions of the recently formed association is the revealing one set forth in Subparagraph 3 of Article 2 of its by-laws: "It defends the economic interests of its members and provides them assistance in overcoming bureaucratic difficulties in carrying out economic responsibilities." There are further statements in Article 4: "The Association defends the interests of its members vis-a-vis state bodies and other public organizations. The association assists in resolving disputes between its members and ministries and other state bodies, including disputes arising out of unfavorable economic developments resulting from decisions by the above-mentioned bodies." This shows the considerable importance which this association is beginning to assume as a management association confronting bureaucrats and also, potentially, politicians. In the last analysis it is something that is missing and that is needed in Italy, where state-participation enterprises have in Intersind [Italian Association of Management of State-participation Enterprises], an organization that represents them vis-a-vis the trade unions but which has never functioned as an instrument of defense of public management against errors and abuses of the government, as in the case of Gioia Tauro and similar ones. The need for freely associating enterprises into a common structure for aid and representation in Bulgaria comes from the "new economic approach and new economic mechanism" which attributes to plant-level management margins of initiative called for by the most dynamic and modern circles, but for which not all are prepared. Ganev says, "The creation of an organization such as ours was required by the fact that the new economic mechanism allows greater independence and initiative. Currently there are only a few obligatory guidelines and beyond that the plants are free to manage themselves. Thus there is the need for a coordinating center."

We note a couple of the examples Ganev provided us on the new economic mechanism: "First, the plants produced and sold to the central foreign trade organizations the amount intended for export, and with that their task was finished. Now the producer is also concerned with sales, and the export enterprises have only a middle-man role. The state has given many enterprises the right to sell abroad directly. Another aspect of the new mechanism concerns the way to determine wages. Previously they were fixed. Now wages are linked to the way sales go, and that allows for a higher wage if the work is productive and for less if the work is done badly. Naturally, without ever going below the minimum wage."

But with the minimum wage one is not rolling in wealth. Last April the CP expressed in concrete terms the following objectives: Raise the average annual wage to 2,500 leva in 1985, compared to 2,185 in 1980. The minimum monthly wage in 1985 should be around 120 leva. Minimum pensions should reach half the lowest wage." One leva is worth around 1000 lire: a little less at the commercial rate of exchange; a little more at the tourist rate. The calculation is quite simple. With the minimum wage life is not easy. And to enter into the consumer era both men and women must work hard to earn more (there is no unemployment). The congress theses in this area are very clear: "Ensure fulfillment of the plan principally by means of direct contractual relations between the economic organizations and through use of economic measures the state possesses, namely economic incentives

and economic sanctions. Every penny spent should bring a return. Increase the profit role in the whole of economic and social activities. Use profit as a criterion of efficiency in production and in economic activity, and make it the basis on which distribution of income is made. Take steps to halt production of unprofitable export items and gradually eliminate treasury subsidies for production intended for the domestic market. Organizations and collectives furnishing high quality labor, increasing the productivity of their labor, and realizing high profits should have the right to higher salaries. Avoid all egalitarianism in the distribution of wage funds within the economic organizations and labor brigades."

With these criteria, which are only partially new, productivity is stimulated. Stimulated to the extent that Todor Zhivkov, who has held power uninterrupted for a quarter of a century, could boast of doubling national income within the last 10 years. He declared, "There are thus two Bulgarias now committed for the next decade." It is an eminently agricultural-industrial country, but its agriculture is well organized (it is the sixth wine producer in the world and has succeeded in selling wine even in Italy through the Standa [bargain priced Italian department store chain]. Bulgaria boasts the first nuclear power plant in the Balkans and in the division of labor within CEMA has secured an ambitious specialization--that of electronics production. It has also attained in that field a world position respected by all, thanks to the size of the market it is called on to supply. De Benedetti of Olivetti has also looked into the matter; he came to Bulgaria to explore the possibility of new arrangements.

It has already been said how things are going with our foreign trade. We started out very well but are getting worse. We are still in second place after Germany among Western countries, but with France following close behind us and having the advantage because it exports more and imports less. In 1978 we still had a favorable trade balance of 21 billion (70 in imports and 91 in exports); in 1979 we had a trade deficit of 62 billion (174 in imports and 112 in exports); last year the deficit rose to 76 billion (217 in imports and 140 in exports). It would be enough to turn around the situation and give Italy a favorable trade balance if the Italimpianti plan for a new steel center in Burgas came through. Its value reaches approximately 1.3 billion dollars, of which half a billion would be spent in the West for the purchase of equipment. But a line of credit is needed, otherwise the deal will be lost. Our credit policy has for some time been much more restrictive. The Socialist, Manca, at the Foreign Trade Ministry, has conveyed the impression of not caring much about East European markets, the same ones sought by the Germans, French, English, Swiss, and the Japanese.

One hardly demonstrates dedication to the West by letting them slip away with these opportunities, particularly at a time of decline in the intermediary Italian companies [for trade with Eastern Europe]. These were formerly controlled by the PCI [Italian Communist Party] and were turned over to the League of Cooperatives when the law on public financing of parties came into effect, but in fact because the intermediary companies had become less profitable since business was increasingly passing through direct channels between the companies.

9772

CSO: 3104/316

ECONOMIC PROSPECTS TO IMPROVE IN 1982

Amsterdam NRC HANDELSBLAD in Dutch 10 Jul 81 p 7

[Article by Cees Calje: Rejoicing Premature: Investing Comes First]

[Text] Minister Wiegel was right on target when he said yesterday that we should not become too optimistic now that the economic prospects are relatively favorable for the Netherlands. Mr Wiegel also let it be known that continued wage restrictions are urgently needed. Such a policy may be necessary but it is undoubtedly not enough: this nation must begin to invest.

As compared to other countries the Netherlands was badly hurt by the second oil crisis. During the past year and a half the percentagewise increase in unemployment was almost as bad here as the terrible example given by Great Britain. The national production increased last year at a slower rate than in the surrounding countries, but this is nothing to be amazed about when a worldwide depression diminishes chances of exporting products, wage restrictions affect consumption in a negative sense, and new investments remain inadequate.

With the exception of the Scandinavian countries wage restraints are worse in the Netherlands than anywhere else. According to the Organization for Economic Cooperation (OECD) real income will this year diminish by 3.5 percentage points. Although these restraints kept profits at a higher level than during the first oil crisis, investments stagnated again. Worse even: the preliminary figures for 1981 and the OESO prognostication indicates that the decline in investments is sharper than anywhere else, with the exception of England and Denmark.

Brighter

The picture for 1982 is somewhat brighter. After 2 declining years investments are expected to rise again, be it by barely two percentage points. The OECD expects a bigger increase in the volume of exported goods: 6 percentage points (the exportation of industrial products could even go up by 12 percentage points!). Taking everything into account the 1982 gross national product is expected to be 2.75 percentage points above its 1981 level, including corrections for price increases. The Central Planning Bureau projects that it will even amount to 3 percentage points.

Some politicians and economists will undoubtedly use these forecasts to claim victory: the policy of cutbacks in government expenditures and restraints on wages is really working! It is therefore good to remind ourselves that the first oil crisis was also followed by a period of vigorous recovery: after a decline in output of 1.0 percentage point in production, figures for 1976 went up by 5.3 percentage points. That is actually considerably more than 2.75 or 3.0 percentage points....

We should also keep in mind that wage restraints are by no means the only reason for the predicted increase in exports over 1982. The increased demand from oil-producing nations and, not to be forgotten, the robust increase in the exchange rate of the dollar are at least just as important. The expensive dollar makes European products a lot cheaper.

Surplus

According to the OECD next year will bring us a balance of payments with a surplus of 10 billion guilders; the Planning Bureau apparently agrees with this forecast. This surplus is to increase the demand for guilders which will eliminate downward pressure on the guilder and allow the Bank of The Netherlands to lower its interest rate.

However, we should see to it that the surplus on the balance of payments does not lead to an increase in the guilder's rate of exchange. The stimulating effect on exports of wage restraints would then be cancelled out. Dutch products made relatively cheap by wage restraints would then become expensive again through an increase in the rate of exchange of the guilder.

Guilder

The chance of an upward pressure on the guilder is not imaginary: If the forecasts are right the surplus on the Dutch balance of payments will next year be 2.5 percent of the gross national product. Not one other Western industrial nation, including the oil nation Norway, has such favorable prospects.

Even expressed in dollars the surplus of the Dutch account (3.75 billion dollars) will exceed that of all other nations. Here we must keep in mind that this year the United States is still expecting a surplus of 4.5 billion dollars, but next year this will probably turn around to a shortage of 5.5 billion dollars because of the expensive dollar.

An upward revaluation of the guilder would of course be good for the inflation problem: import prices expressed in guilders would be lower. However, even without such upward revaluation the increase in the price of consumer goods will by the end of next year go down from its present 6.5 percent to 5 percent, according to the OECD. The conclusion appears clear: an upward revaluation of the guilder is not desirable. It makes it perhaps also possible to reduce the Dutch interest rates, even though American interest would stay up.

Investment

This lower interest rate can bring about the long awaited upswing in investments. However, government assistance is here definitely needed. The OECD notes correctly that in case of cutbacks government investments are often unjustly the first to be adversely affected, and the Netherlands is no exception to this rule.

In addition the government can take the necessary stimulating steps to encourage businessmen to invest, financially as well as organizationally. The industrial report of the Scientific Council for Government Policies (the Van Der Zwan Report) published last year shows how this can be done. It is a pity that the Van Agt government declared itself in favor of the report's goals--promotion of industry--but ignored the methods mentioned in the report because they would lead to undesirable government intervention.

10319

CSO: 3105/152

OZAL ASSESSES ECONOMIC POSSIBILITIES IN PERSIAN GULF

Istanbul HURRIYET in Turkish 15 Jun 81 p 15

[Article by Yavuz Gokmen]

[Text] Ankara (HURRIYET) -- Turgut Ozal reported on his tour of the Persian Gulf, which he calls the "Gulf [in English]," at a breakfast consisting of tea, cheese and bread. "We have entered the Gulf. We opened the door and took a step which will have a happy ending," and, "If it continues this way, we will all see that things will improve," he said. Stating that he had carried a letter from the head of state to the emir of Kuwait, Ozal said that the most important step was that Turkey, unable to date to receive credit from the banks, "would get medium-term bank credits" and added, "These credits will begin in 1.5 months."

Ozal said the following:

"Let me give you a brief run-down of our trip. I think it necessary in order to clarify one matter. Originally, we were only going to Kuwait. But when the invitation was extended from Bahrain, we left two days early and went to Bahrain, and from there, went on to Kuwait. We have no mission in Bahrain. It is a tiny island, with a population of 300,000 to 400,000. It is next door to the peninsula of Qatar. It produces very little oil, but meets its own needs and exports some. It has natural gas. It is developing rapidly. Many banks have opened. Here lie resources in excess of \$40 billion. There is an aluminum industry and a ship repair industry. Turkish businessmen have never been here. Yet it brings in everything from outside.

"In Bahrain, we talked with the industry and finance ministers. They said that they want Turkish businessmen to make investments in Bahrain. They even told us they would allow a branch of a Turkish bank to open here. It is a very interesting place. The free zone of the Gulf."

In Kuwait

Minister of State and Deputy Prime Minister Ozal then expressed his views on Kuwait as follows: "We began our visits the day after our arrival in Kuwait. First we visited the emir of Kuwait, then the crown prince. We delivered the head of state's letter to the emir, talked with the crown prince and then met with the Kuwaiti minister of finance and planning. The next day we visited the Kuwaiti financial establishments, referred to as '3 K.' I think that it will soon become possible for us to obtain credits here.

"Then, after talking with the minister of defense, we visited the head of the Central Bank. Our embassy hosted a wonderful dinner in this connection which gave us the opportunity to talk with local bankers. It was very useful. After that we went to a party given by the president of the Chamber of Commerce, where we talked with Kuwaiti businessmen.

"The night before we left, we had one last, important meeting. This was with the Kuwaiti minister of finance and planning.

Kuwaiti Development

"I went to Kuwait in 1968 and again in 1975. When I first saw it, it looked like an Anatolian town. I didn't recognize it the second time. Now, I found it still further developed. In a few years, it will be indistinguishable from the most modern cities of the world, but I noticed an even more important development. Thirteen or 14 years ago, foreigners were running Kuwait in all respects. Now Kuwaitis are completely dominant in financial matters. They are on top of the problem. They have taken the helm. This is a very interesting and heartening development.

"They have made good use of the opportunities oil has brought them. In addition to producing 1.5 million barrels of oil per day, they also have the income of \$100 billion in investments.

"Kuwait's importance becomes even more manifest here. Let me stress this. Kuwait is also the gate to these nations. Once there, it is possible to go on to the other nations as well. We accomplished this and the end result was good.

"Now, what did we gain, what will we be able to gain? Let us get to that.

"1. We reached agreement in principle on Turkish businessmen and Kuwaitis getting together on tourism and foodstuffs projects for the Gulf. Both governments will support these initiatives, ours will go there and Kuwaitis will come here soon.

"2. Kuwait has a 'Kuwait fund.' We have two projects which are benefitting from this fund at the moment. Of course, they are in low figures, but we reached agreement here. We will benefit on a somewhat larger scale from this provided we have the project.

"3. There is also a matter of short-term financing. I believe serious steps will be taken soon in this regard. This will also come from the Kuwait funds.

"4. The most important thing to which I wish to draw attention is 'medium-term financing.' This is separate from the Kuwait fund. To date we have been unable to obtain credit from the banks. I think that through an agreement concluded we will be able to obtain medium-term credits in 1.5 months."

Policy Must Be Made Firm

Turgut Ozal expressed his own thoughts on "the Arab nations and the Gulf" as follows:

"Kuwait will provide us facilities in meat exportation. Turkish meat is much liked there. Fresh fruits and vegetables go there steadily from here and these must be increased.

"Moreover, our policy toward the Arab nations must be made firmer. Of course, foreign policy is included in this. A year ago, we pushed up our exports to Islamic nations from 20 percent to 35 percent - 40 percent. This is a quite sizeable spurt and if we follow it up with a conscious policy, I believe this will increase even further."

8349

CSO: 4654/49

ASKIN OPTIMISTICALLY VIEWS ECONOMIC SCENE

Istanbul DUNYA in Turkish 15 Jun 81 p 1

[Text] Pointing out that Turkey had got control of inflation in the spring of 1981 and was gradually penetrating the foreign exchange squeeze, Dr Aydemir Askin said, "But these are not the only conditions necessary to launch a new, sound and balanced period of economic development. It is hard to say that the relative improvements in monetary matters have become healthy enough to allow confidence in production, investments and employment which are moving at a very slow pace."

Dr Aydemir Askin, economics advisor to the Aegean Chamber of Industry, spoke on "Domestic Economic Developments" at a meeting on "Turkey's Economic Status and Special Problems in the Spring of 1981," arranged by the Economic and Social Studies Conference. He said that Turkey had won two important battles in the war for economic liberation which it declared in 1981 with the 25 January decisions, but that it is continuing to fight in the knowledge that many more important battles remain before the war is won.

Stating that the price for stopping Turkey's slide into disaster at the general level had been very high for certain sectors, Dr Aydemir Askin said, "The housing sector withstood the crisis and economic slowdown best, having a growth rate of 4.2 percent in 1979, but this rate fell back to .8 percent in 1981. In short, the housing sector paid the highest bill for the economic stabilization measures. As for the industrial sector, it was most affected by the economic crisis of recent years and its growth rate fell below -6 percent, remaining at around -5 percent in 1980. The drop has slowed in manufacturing, mining and energy, but in the investment goods sector, which is a subsector of the manufacturing industry, the annual production increase which was 4.3 percent a year before fell way down in 1980 to below -9 percent. To put it another way, if I may, the investment goods industry paid the manufacturing industry's bill for the economic stabilization measures."

Stressing that Turkey's inventories had increased significantly in 1981, that public sector stocks had risen from around 48 billion liras at the end of 1979 to 103 billion liras at the end of 1980 and that stocks had tripled in the private sector, climbing from 16 billion liras to 48 billion liras, Dr Aydemir Askin summarized as follows the general outlook of the first 5 months of 1981 in light of these data:

"The first 5 months of 1981 were, in the general view, a period in which completion of the economic stabilization measures, based on monetary measures, picked up speed; in which the economic sectors, further clarified especially by the balance in monetary accumulations and changing structural trends in the economy, intensified their efforts to conform to conditions; when, in the words of a government authority, economic life began to respond to the changes and measures; in which domestic demand declined further in response to these positive developments; in which stocks of finished products began to become a serious problem; and a period dominated by the coalescence of a shortage of operating capital and the high cost of financing. In fact, according to the data, the first 5 months make the 40 percent inflation rate, the \$3.5 billion export goal and balancing the 1.5 trillion -lira budget look like realistic and achievable goals."

8349

CSO: 4654/48

AUTOMOTIVE INDUSTRY SUFFERING GRAVE CRISIS

Istanbul MILLI GAZETE in Turkish 12 Jun 81 pp 7, 8

[Text] Izmir (TURKISH NEWS AGENCY) -- Izmir Chamber of Commerce and Aegean Chamber of Industry Assembly Member Sefa Selgecen announced that the crisis in the automotive industry had reached the limit. "Supply and demand is out of balance in this branch of industry. Goods are being moved at below official prices," he said.

Stressing the 30 percent drop in production in the Turkish automotive industry, Selgecen said, "However, every display window in this industry is full. That an industry whose production has dropped 30 percent can still supply the product on demand shows the seriousness of the crisis."

Selgecen recalled in an interview with a THA [TURKISH NEWS AGENCY] reporter that the crisis originated in the general economic slump and said that the high interest system placed into effect after the 24 January decisions had aggravated the crisis.

Indicating that bank interests, driven up by inflation to encourage the channeling of savings into investments, had condemned the market to unemployment to an extent, Sefa Selgecen added that the automotive industry could not be saved from the predicament it was in unless the slump in the construction sector was rectified first.

Status of OYAK-Renault

Bursa -- OYAK [Army Mutual Aid Association]-Renault, faced with a slump in auto sales, is reportedly trying to balance its factories' personnel according to production figures.

According to information obtained by a THA reporter from an officer of the OYAK-Renault Directorate General, the personnel overload at this factory, which employs 2,446 including 336 in civil service rank, is gradually worsening. Stating that the personnel level at the moment was consistent with 1979-1981 production levels, the officer stressed that domestic market conditions in 1981 had thrown employment levels out of balance. He spoke as follows:

"We, as OYAK-Renault, have a total of 2,541 employees in Istanbul, Ankara and Bursa. At the Bursa plant, we have 2,110 on wages and 336 salaried. We have kept our personnel on, hoping that the slump on the market would reverse and

production would rise again. Actually, our existing personnel were hired according to the high level of production in 1979. However, our production and home sales since early 1981 have been very low. Our factory has suspended operations twice. Even though we have a production capacity of 45,000 automobiles annually, we are trying to keep 1981 production at around 12,000. We will produce 900 automobiles this month, 300 for the home market and 600 for export."

Stating that the efforts needed to regulate the number of personnel according to production had been under way for some time, the OYAK-Renault official said, "We have to reduce the number of personnel to stay alive. We are in the position of having to prune the tree without killing the roots. But we will know in a few days what we have to do for sure."

The same official also said in answer to a question that they were going to the martial law commanders about personnel reductions.

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CSO: 4654/49

MARITIME AGREEMENT WITH LIBYA CONCLUDED

Istanbul DUNYA in Turkish 13 Jun 81 p 1

[Text] The Shipping Company agreement was signed between Libya and Turkey yesterday.

The agreement on the company, to be a 50-50 partnership between the two countries with start-up capital of 40 million liras, was signed by authorities of the two nations' shipping companies. The joint company does not at present have its own ships but, as a maritime transport company, will be able to purchase ships as well as operate with rented ships and will carry passengers as well as cargo when necessary. It was pointed out that the joint company will aid in development of relations between the two nations.

Retired Rear Admiral Riza Akol, chairman of the executive board of Maritime Transport Directorate General who headed the Turkish delegation, made the following announcement about the shipping company to be formed between Libya and Turkey:

"This joint shipping company, established for the purpose of resolving the important commercial problem of maritime shipping between Turkey and Libya, will provide maritime shipping between the two countries for the first time.

"Our company, which will also ship to other countries later, will be a corporation and will have an executive board and a president. It will have free decision-making powers and will be able to buy and sell or rent ships."

Senusi Abdulrahim Azzuz, head of the five-man Libyan delegation, voiced his views on the newly formed company as follows:

"Efforts on the joint shipping company to be formed between the Republic of Turkey and Libya are progressing successfully. I believe this joint company will strengthen the ties between these two friendly countries. We need to conduct a lot of business with you. For this reason, the friendship between the two countries will deepen with the success of the company which will begin operation soon."

The agreement talks continued throughout the day. The company's officers will change next year, with the president and general directors to be selected from representatives of the two countries every 3 years. Attending the signing ceremonies on the Turkish side were Riza Akol, Deputy General Director for Technical Affairs Yilmaz Tabanlı, Deputy General Director for Financial Affairs Sefik Atilgan and necessary personnel from the Directorate General; on the Libyan side were Senusi Abdulrahim Azzuz, Mustafa Nuri, Abu Aisha, Mr S. Meda and Mr Gariani.

TEMPORARY IMPORTATION PROCEDURES SPEEDED

Istanbul DUNYA in Turkish 12 Jun 81 p 8

[Text] Customs and Monopolies Minister Recai Baturalp has sent a directive to each of the customs directors general calling for the necessary measures to be taken to alleviate the problems caused for industrial establishments at the customs administrations in connection with import terms of goods brought into the country under contract.

The directive contained a letter sent to the Customs Directorate General of the Customs and Monopolies Ministry by the State Planning Organization Undersecretariat of the Office of the Prime Minister and stressed the need for these matters to be borne in mind in future practices. The State Planning Organization's letter contained the following views:

"As known, the export encouragement certificates and related customs exemptions issued by our organization are based on the same two laws and decisions. The first is the temporary export encouragement certificate which is import-related and included customs exemptions in accordance with the 'temporary directive on import procedures' clause of articles 840 and 841 of the Customs Directive and article 118 of Customs Law No 1615.

"These certificates are sent directly to the Customs and Monopolies Ministry and the firm concerned by our organization. Articles made from the goods allowed temporary importation within the framework of principles stated on this certificate are exported later. Subsequent to confirmation that the temporary import and related export took place supplied by the customs administrations by property verification during import and export, the deposit received on customs duties and taxes is returned.

"Second is the foreign exchange allocation made according to Decision No 8/182 on export incentives and the customs exemption applied for specific goods and equipment according to article 33 of the same decision. The program is understood to be connected with this practice. The practice is to be carried out as follows according to the relevant decisions and communiques: One copy of export encouragement certificates, shown in writing to be pursuant to Decision No 8/182 and an export contract, is sent by our organization to the company concerned and another copy is sent to the Commerce Ministry for attachment of a permit. If a customs exemption is to be allowed according to article 33 of Decision No 8/182 for goods or equipment, this is clearly stated on the certificate.

"Imports involving such a contract and customs exemption still have a deposit collected at the time of import up to the sum of customs duties and taxes to which exemptions apply as in the temporary procedure. However, it is not necessary that these imported goods be reprocessed for export as in temporary imports.

"One thing which probably led to misunderstanding in practice is the customs exemption in connection with 'accomplished exports' mentioned in the final paragraph of article 23 of TUD [expansion unknown] Communique No 80/2 which was published in the 3 April 1980 RESMI GAZETE. What is intended by 'accomplished exports' here is those on which the contract account is closed. On this type of importation, our organization is the authority as to whether customs exemptions apply and in what form."

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CSO: 4654/48

NEED FOR MARKET-ORIENTED TRANSPORTATION SYSTEM NOTED

Istanbul DUNYA in Turkish 12 Jun 81 p 8

[Text] Ankara (DUNYA) -- Transportation Ministry Deputy Undersecretary Orhan Buldac stressed the need to reduce shipping expenditures, which are in third place behind liquid fuel and fertilizer in foreign exchange outgo, and said that, in order to do this, it was necessary that freight stemming from our foreign trade be directed to Turkish bottoms and that Turkish maritime trade develop rapidly.

Deputy Undersecretary Buldac summarized as follows the measures which should be taken to increase and develop foreign exchange revenues from the international carriage sectors and the present status of these sectors:

"The first requirement for any society wanting to develop foreign trade is to develop an adequate, select and market-oriented transportation network. The largest factor affecting foreign exchange activities is foreign trade. And the most important element affecting that is the transportation service. In our foreign trade, 95 percent of the transportation service is maritime-oriented.

"The present maritime trade fleet has achieved its capacity goal, at 2,079,281 DWT. This capacity is 3 percent of the world commercial fleet. Only 28 percent of the total tonnage of Turkish foreign trade is being carried by this fleet. The remaining 72 percent is handled by foreign bottoms. Yet with our existing fleet capacity, it is possible to raise the 28 percent to 45 percent."

Buldac gave the following information on rail carriage:

"Measures were taken in 1977 such as speeding services and formalities at border stations, carrying a full train from the departure station to the destination, tariff measures with other railways (reductions), arranging loading lines and couplings at ports according to the type of goods and the purchase of forklifts, winches and tractors to allow quicker loading, unloading and transfer both at ports and border gates, and it is estimated that, as a result of these measures, rail carriage will bring in 5.5 billion liras in 1981, all in foreign exchange.

"In order for the rail share of transit carriage to increase to bring the railroads' contribution to the national economy to a significant level:

--Technical and administrative efforts are continuing for placing multipurpose Ro-Ro ships on the route between Samsun Port and Constanta Port to carry freight from European countries to neighboring and Middle Eastern countries.

--It may be possible to raise the present 10 million-ton capacity of the Turkish State Railways-operated ports to 18 million tons as the result of medium-term investments financed by the World Bank.

--Personnel will be trained at home and abroad in order to make port services speedier and more efficient."

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CSO: 4654/48

CONTRACT BID LAW TO RECEIVE THOROUGH OVERHAUL

Istanbul HURRIYET in Turkish 14 Jun 81 p 3

[Article by Saygi Ozturk]

[Text] Ankara (HURRIYET) -- The current Bid, Tender and Contract Law No 2490 is being revised from top to bottom. According to the draft State Contract Law, passed by the Council of Ministers and forwarded to the National Security Council [NSC], premiums will be awarded to the contractor who completes his job early. No reduced bid will be entertained once the contract decision has been made, contracts will be awarded on the basis of applicability to the public need rather than to the lowest bidder.

The draft amending Law No 2490, which is no longer responsive to present needs, will be on the NSC agenda on 3 July. The bill increases the powers of the administrations and their concomitant responsibility. Time-consuming formalities are eliminated. A procedural dossier for matters to be handled by contract will be made up to introduce order into contractual matters and discipline into procedures. In this way it will be made possible to prevent the likelihood of going into contracts unprepared, allow contract supervisors to keep closer tabs on contract affairs and facilitate oversight by inspection and control authorities.

Draft Innovations

According to article 13 of the draft contract law, contract supervisors will present tenders to contract commissions composed of contract administration members. Cost estimates will be made by the relevant administrators on a case-by-case basis, obtaining verification from municipalities, chambers of commerce, and stock exchange officers or experts if necessary. Contract specifications and supplements may be given out free of charge or applicants may be charged a pre-set fee.

Early Completion Premium

Article 86 of the draft has to do with the early completion premium. According to this article, in construction jobs deemed advantageous by the administrations to be completed ahead of the schedules stated in the specifications and contracts or in advance of extensions allowable by contract, an "early completion premium" may be given to contractors.

8349

CSO: 4654/49

PROSPECTS ON NEXT PRESIDENTIAL ELECTIONS ANALYZED

Nicosia I SIMERINI in Greek 30 Jun 81 p 3

[Article by Al. Konstandinidis]

[Text] "Politics is the art of the possible."

As I wrote the other day, from the moment when the leadership of AKEL seemed to be satisfied to simply play second fiddle for the time being, supporting and shoring up at the same time each successive administration, the prospects for a change within the next few years became rather limited.

In my previous article I tried to show that what characterizes the policy of the AKEL leadership is a terrible political amorality which permits it one day to decisively withdraw its support for the Kyprianou government, and to work with it the next day without anything having happened in the meantime. What concerns the leadership of AKEL is surely not the future of the country, nor any principles, nor yet the impression created by its inconsistency, nor even the interests of the workers.

With this in mind, it is most likely that the "cooperation" of AKEL with the Kyprianou government will continue until the 1983 presidential elections. The AKEL leadership will continue to support the government of Kyprianou, obtaining thereby certain trade-offs which in my opinion are of secondary importance.

But what ought to occupy our attention as of now is the question of what will happen in the coming presidential elections, which ought to be held within about a year and a half, in February 1983.

It is now obvious that President Kyprianou has decided to run for the presidency for another 5-year term, and unfortunately--we should be realists--it seems that he could be successful. That is, if the leadership of AKEL agrees to support Kyprianou in the 1983 presidential elections, thus securing certain trade-offs, and if in the short period of time until then there are no significant changes, then Kyprianou will probably continue to be the president until almost the end of the decade (1988), if of course Cyprus still exists by then.

The fact that following the terrible blunders which he has made (a major conspiracy, a deadlock on the Cyprus question, poor management of the Famagusta affair, and many other things), Kyprianou has the potential to secure the

presidency for another 5-year period (and, who knows, perhaps also for a third term) is something which of course gives the measure of our political maturity, but which mostly reflects the Cyprus political scene.

As was apparent from the recent parliamentary elections, the leadership of AKEL can still control about 33 percent of the electorate. If we assume that by the time of the 1983 presidential elections--that is, within 20 months--it will have lost some 3 percent of its influence, it will still control 30 percent. And undoubtedly also those who voted for EDEK will finally vote for AKEL in the presidential elections if the contest is between Kyprianou and Kliridis the elder. This means 30 plus 6 or 36 percent (I subtract 2 percent from the 8 percent which EDEK received in the parliamentary elections, in view of the defections which are being seen in this party). This means that of the 19 percent which Kyprianou obtained in the last elections, if he holds on to 15 percent then Kyprianou is sure of over 50 percent in the 1983 presidential elections.

On the other side, the data are as follows: The Democratic Rally [DISY] received about 32 percent of the votes in the last elections. If we suppose that with the most optimistic forecasts this percentage increases by 5 to 6 percent within the next 20 months which are left until the 1983 presidential elections, we have 37-38 percent. Between this figure and 51 percent we have another 13-14 percent. This represents a significant percentage which is outside the camp controlled by the various traditional establishments.

This means that only by the cooperation of DISY and AKEL or DISY and DIKO [Democratic Party] would it be possible for the DISY to be successful in the coming presidential elections, taking as a basis, of course, the present data.

But could something of this sort happen? Would DIKO agree to cooperate with DISY without setting as a condition the supporting of Kyprianou for another term? And how would something of this sort be accepted so as to have the support of AKEL, since of course this party is not interested in promoting its own president?

On the other hand, on what basis could there be cooperation between AKEL and DISY? What would make the leadership of AKEL accept such a cooperation?

If the leadership of AKEL really is interested, as it proclaims, in checking the course towards "double enosis," as it calls it, or in preventing a complete subjection to Turkey, I believe that it would not hesitate to discuss a possible cooperative effort with the DISY. Because no longer is there any doubt--and this has already been proclaimed by the AKEL leadership--that with Kyprianou as president there is no chance that the Cyprus question will escape from the impasse it is in, there is no possibility for any progress, and consequently it is certain that the outcome will be the stabilization (which already exists) and the legitimization (which is coming) of the status quo, or in other words of the present situation.

All these remarks constitute an effort to outline the present state of affairs, by taking as a basis the current data, which of course are not unchangeable. The views which I uphold here are not absolute, and of course they are purely

my personal opinions. Possibly these views will surprise some people. But I hope that more than this, they will cause a few people to reflect on and think about the prospects for the future. I pray also that my views will provoke some discussion, with the hope that in the course of this discussion other points of view as well which are different from my own will be expressed, and more accurate assessments will be formulated concerning the prospects which are taking shape before our eyes.

As always, these columns are open to all and to all points of view--even though our problem here is the fact that often, unfortunately, there are no views being expressed at all.

12114

CSO: 4621/32

SUPPORT FOR WEIZSAECKER DIVIDED, HOUSING POLICY APPROVED

Frankfurt FRANKFURTER ALLGEMEINE in German 18 Jul 81 p 2

[Article by Hach: "Partial Support for Weizsaecker--The Berlin Government Program--Agreement on Housing Policy"]

[Text] Berlin, 17 July--After debating many hours until late Thursday night, the Berlin parliament approved the 10-point guidelines of the government program. The votes were 68 in favor and 61 against, with 3 delegates absent. Among those voting in favor of the CDU minority Senat were four Free Democrat delegates. In separate votes on each of the 10 points, the SPD parliamentary group approved point one which, among other things, provides for the following: the Senat recognizes that the allied protective forces' exercise of their rights and responsibilities and close adherence to the alliance continue to be the basic unaltered prerequisite for the existence of a free Berlin.

SPD Parliamentary Group Chairman Vogel, who as the first speaker had called the guidelines submitted by Governing Mayor von Weizsaecker "contradictory, equivocal and incomplete," declared at the same time that the SPD, in its opposition role, would not automatically vote against all of the Senat's political statements. This would primarily be true in matters concerning Berlin and Germany politics. Vogel promised approval also of cultural policies.

FDP Parliamentary Group Chairman Vetter--one of those who had facilitated the CDU minority Senat's rise to power and who would "tolerate" it for the time being--stated that if the majority of his fraction voted to approve the government program, it was doing so not only "as a matter of formality," but from a "sense of responsibility for the city." But this was not to be regarded as a blank check for the entire tenure of the legislature. FDP delegates Kunze and Fabig voted against the guidelines of the government program. Kunze is, in addition, the Land chairman of his party.

A proposal by the SPD fraction that "the Berlin line for solving housing policy problems be reestablished" was approved late at night by a large majority of all CDU, SPD and FDP delegates. The alternative list provided eight negative votes and one abstention. CDU Fraction Chairman Diepgen called attention to that part of the proposal which called for renouncing force, the encouragement of a dialogue among the participants and an expression of gratitude to the police force. Among

other things the proposal includes the following statement: "The Senat is requested to resume an intensified dialogue with the participants and to include those as well whose activities had been directed to call attention to grievances and neglect through extraordinary measures (e.g., peaceful occupation of unoccupied apartments) and whose goals are not destruction and the use of force, but rather to remedy shortages and abuses."

9273

CSO: 3103/376

PASOK FOREIGN POLICY DECLARATION ANALYZED

Commitments, Contradictions

Athens I KATHIMERINI in Greek 12-13 Jul 81 pp 4, 15

[Article by Nikos Simos: "PASOK's Contradictions on Foreign Policy: Conflict Between Basic Principles and Positions"]

[Text] The sparring between the government and PASOK on foreign policy confirmed the predictions that it would be this field the two parties would choose for their main campaign battle. The government front seems to have every reason for wanting to concentrate its fire in this field since it believes that any change in the country's foreign policy--on the basis of what Papandreou argues--directly and catalytically affects the country's future. As late as recently, the New Democracy Party submitted to Papandreou--by reason of the interview French President Mitterand gave to the weekly magazine "Stern"--two or three questions, the answers to which would put in doubt--in the event his answers did not depart from the positions PASOK thus far has enunciated--his effort to identify ideologically and policy-wise with the French socialists.

Without doubt, the seriousness of the election campaign period--since the decision to be reached by the electorate is decisive for the country's future--dictates the projection by all parties of crystal clear views to avoid confusing and disorienting the voter. From this standpoint, in its attacks against PASOK's foreign policy, ND maintains that the political maneuverability of this party's chairman goes quite often beyond the legitimate boundaries for necessary adjustments in various conditions, with the result that there is a conflict between PASOK's certain basic principles and positions.

On this point, political observers point out that it appears that Papandreou too has not attempted to deprive the government front of the right to advance such arguments. These observers add that while, for instance, the government by not signing the [bases] agreement with the Americans (had it done so it could be charged that it did not gain the most) has actually deprived Papandreou of the possibility of a "preelection barrage," by contrast Papandreou has in recent months given the government--through certain, obvious shifts--the right to point out vital, serious and impressive "clashes between principles and positions" which obscure the overall framework of the movement's positions and which, in any case, do not allow for clear conclusions on a policy which "has to do with our country's fate abroad."

These remarks are made especially in conjunction with PASOK's longtime "written persistence" on views concerning foreign policy, a persistence which by itself raises doubts on every new PASOK position at least as concerns its generative causes.

The first impressive PASOK attempt to differentiate its position on a presently pending important issue of our foreign policy is the interesting interview Papandreou gave last April to the periodical "Greek Accent" published in English in New York. He said [in response to a question]:

"PASOK takes a clear and strong stand against the presence of foreign bases."

Papandreou supported this PASOK position with a realistic view of the issue by recognizing that:

"...it may not be possible to have the NATO and U.S. bases removed from Greece in short order. [PASOK] is willing, therefore, to accept the temporary presence of such bases on Greek territory..."

This new PASOK position on the American bases has prompted ND circles to point out the contradiction between the "clear and strong stand against the bases" and "the acceptance of the (albeit) temporary presence of such bases on Greek territory." But beyond this observation which is made in the framework of the preselection tug of war between the two rival parties many voters wonder not about this--we repeat--realistic new position Papandreou has taken but about what he so emphatically and argumentatively has supported in the not so distant past. On the same issue--the bases--the PASOK chairman said during the Third Conference of Progressive Organizations and Socialist Parties in the Mediterranean (15 May 1979):

"...The Mediterranean is the theater of the most aggressive policy of American imperialism..."

This is a position which is particularly untoward and which, because of its serious assertions coupled with the critical time the area is facing, must rule out any form of cooperation with the American factor, especially if one takes into consideration an explanatory point Papandreou made in that same speech:

"...The presence of bases and of an aggressive military force constitutes an integral part of an overall politico-military, economic and cultural intervention in the area, the aim being to gain absolute geo-political control and to exploit the area's productive sources. The bases place under condition the national existence and sovereignty of the countries hosting them."

New and Old Positions on NATO

A few months later, in October 1980, speaking in Patrai, Papandreou renewed his position that:

"...the precondition for an independent Greek foreign policy is the removal of the foreign bases from the country..."

The shift from this position to the tolerance "of a temporary presence of the bases in Greece" could well be interpreted by Papandreou's opponents as a tolerance of a servile foreign policy during the period the "temporary presence of the bases" lasted.

NATO

It seems that the realistic stand Papandreou has taken recently on the relations between Greece and the Atlantic Alliance is neutralized by a number of written and oral positions the leader of the major opposition has expressed--a fact which provides "weapons" and arguments to his political opponents who can raise the question of what, anyway, is that position which defines the specific foreign policy of his party on this issue. For instance: It is not easy for one to arrive at conclusions from a PASOK position which, on the one hand, warns that:

1. "...in defending its sovereign rights in the Aegean, Greece finds itself with no allies. This is the case since NATO does not include any provisions that guarantee the frontiers of its member-states from aggression from another member-state..." and
2. "...our Greece's participation in NATO comes into direct conflict with the pattern of deployment of the Greek forces in the event of a war with Turkey..."

On the other hand, participation in NATO is acceptable:

"...For some time to come Greece's defense posture will depend on an uninterrupted flow of pipeline aid from the Atlantic Alliance. A realistic and foreign policy for Greece must take into account the complex set of facts. A PASOK government will insure that the defense capability of the country (ed. note: adherence to NATO, that is) is maintained at the highest possible level as long as the Turkish or other threat remains active."

Moreover, PASOK's possibility of implementing this policy of "ensuring the defensive capability of the country" in the NATO framework appears to contradict recent (1980) positions supported by the strong left wing of the movement thus making difficult if not problematical the implementation of the policy mentioned above.

Therefore, the party's left wing has no more reason to adopt the recent position of the PASOK chairman that "for some time to come Greece's defensive posture will depend on an uninterrupted flow of pipeline aid from the Atlantic Alliance" than it has to accept the position Papandreou expressed during the Seventh Congress of the Party's Central Committee that:

"Full dependence of the country on the Atlantic Alliance centers of power will lead to the formation of one-dimensional and dependent foreign defensive policy"

nor has the left wing reason to accept the other position--terminologically similar to the above--Papandreou spoke about in Patrai and according to which:

"...The recent hardening of the government's stand against the pressures and blackmailings by NATO and the U.S. should not for a moment camouflage the constant and persistent goal of the Right: to complete the full defensive dependence of our country by rejoining the military arm of NATO and the consolidation of the American bases on our territory. For the Right the incorporation of our country in NATO's cold-war camp has become a way of life..."

Also, how could the party's left wing readjust more realistically--as Papandreou is attempting to do--its principles toward NATO when it continued to applaud positions like:

"...Our participation in NATO with the ensuing presence of many tens of bases in our country constitutes the most ruthless form of politico-military dependence on the U.S. in the framework of the Atlantic Alliance..."

Or a position like:

"...Devoted to the dogma that we belong to the West, ND is looking for encouragement for the country's full attachment to NATO and EEC; for the full dependence of our country on decision centers which not only aim at transforming Turkey into an impregnable fort..."

Other conclusions also support the ND arguments about certain contradictory Papandreou positions especially when such conclusions derive from the political area in which case the feeling lest such arguments against the major opposition party are biased is diminished. Three years ago, for instance, KKE-Interior could not avoid criticizing the interpellation PASOK made in the Chamber of Deputies regarding the minister of defense. That interpellation asked "why no effort is made to amend article 5 of the NATO Charter in a way that would protect Greece against any attack by a NATO member or non-member." KKE-Int. had said:

"This PASOK interpellation could as well have been made by government or other deputies who are interested in the good and efficient operation of NATO, since it aims at improving the provisions of the Atlantic Alliance Charter. It is logical, therefore, for one to ask how come a party like PASOK which so intransigently supports the position 'out of NATO' now asks that an article of NATO Charter be improved so that the Alliance may provide us with greater protection? Could it be that PASOK now considers as vain and unrealistic

the slogan 'Out of NATO' and the struggle to have Greece stay out of the NATO military wing?...

"We do not want to believe that we are facing a radical shift in PASOK's policy on NATO... For the moment, however, we can mention that PASOK is exerting many and various efforts to become a party acceptable by the bourgeois establishment. It has the support of the bourgeois press and its leader has declared that his party is acceptable to the army...

"Could it be that PASOK's interpellation aims at making more palpable its leader's conclusion that his party is acceptable to the army? This policy demands clarity."

PASOK and EEC

But even more recently PASOK again tried to "formalize" its confusing positions on EEC through the parliamentary actions of his Euro-deputies when they signed in Strasbourg the text of the Socialist Group for Spain. The text described the EEC advantages and recommended that the procedure for Spain's admission into EEC be sped up since such membership would contribute to the safeguard of the country's democratic institution.

In the EEC case, however, one should not exclude the possibility of a serious misunderstanding given that--even though since October 1980 PASOK's position has changed (special agreement, escape clauses, participation in all EEC organs)--there is no amelioration between PASOK's new position on Spain's induction into EEC and the criticisms the movement expressed for 6 years about the Community. For otherwise, it would not recommend meaningful support for a friendly country because:

"It will be unconditionally surrendering to the Brussels Directorate since (its) admission to EEC will constitute a direct and severe blow to its) national independence (9 May 79).

Nor could Spain expect economic benefits since:

"...The various EEC funds and international financing organizations which are controlled by the American capital are agents of the imperialistic interventions together with the multinational companies."

'Ghost Program'

Athens I VRADYNI in Greek 11 Jul 81 p 5

[Article by Athens Deputy Khristos Fyssas]

[Text] Those who expected A. Papandreou to elucidate during the last PASOK Central Committee Congress his ideological and political positions on vital domestic and

foreign policy issues must be disappointed once more. His famous "government program" enunciated about 3 years ago as a 4-year program, only to be limited later to a program of "the first 100 days," remained again secret from the people and from most of the party's cadres as well. This, however, does not at all mean that Papandreou's speech to the committee's members lacked importance for those who are wondering and seeking the truth in the chaos of generalities, confusion and challenged concepts which compose the text of the PASOK chairman's speech.

The first conclusion one derives from Papandreou's speech is that he dispelled any illusion about revising his party's extreme positions and choosing a more moderate policy. At the same time, he revealed that the information and indications on which the "well intentioned" or naive based their assessments on PASOK's "shift," are due to a party maneuver whose ultimate objective is the capture of power.

Said Papandreou straightforwardly, in part: "When we study our platform and our government program we find a fundamental distinction between PASOK's strategic targets and intermediate targets... Let us be ready to give battle fully informed about the distinction which is of vital importance to our strategic targets; about the vision of a movement and about the specific measures it will adopt in a relatively limited period of time within the framework of a specific historic opportunity."

The above excerpt clearly shows that PASOK does not modify nor does it intend to moderate any of its known ideological or political positions. On the contrary, it reaffirms its strategic targets which are summarized as follows:

- a. The overthrow of the socio-economic system and the establishment of a new one based on purely Marxist foundations.
- b. The elimination of the constitution presently in force and the limitation of the role played by the parties and parliament.
- c. The establishment of a one-party state since all other political agents must "accept the constitutional framework which consolidates socialism and are indeed allies in the task of building socialism (And. Papandreou: "Transition to Socialism").

A. Papandreou has repeatedly supported these three "strategic" targets in his formal writings and has never renounced--or even revised--them.

It is evident that the above targets will be omitted from the "government program" PASOK will be making public. Instead, "intermediate" goals will be projected whose aim will be to appease and mislead the majority of the electorate. It will ask the voters to place their confidence in PASOK during the constitutionally fixed 4-year period, a fact which may increase the "temptation" to "try" a "change" which--as PASOK is skillfully trying to suggest--"is not tantamount to an overthrow [of the socio-economic system] nor does it imply unrestorable results" in the event such change fails. But here exactly lies the mortal political trap which may prove calamitous to our normal political life and to the country's future, since a vote for PASOK in no case provides the possibility of a "test" [for change]

nor does it include the "deadline" character of the 4-year period the constitution provides. In reality, the voter is asked to place in PASOK his trust irrevocably and permanently without conditions and without any right for revising his decision in the future.

Papandreou himself has given this meaning to the vote the Greek people will cast in the next elections. Speaking at the professionals' seminar his party organized and whose theme was "Transition to Socialism: the Dimensions of the Test for Change," Papandreou said verbatim: "Certainly we are not about to have socialism in 1 day and 1 night... But it is necessary for the socialist party when it assumes power to pass, 'to surpass,' some minimum limit of changes so as to bind from that point on the country's march toward socialism."

Therefore, the "test" temptation leads to a one-way street of no return. The "change" PASOK promises may not be accomplished in 1 night as Papandreou characteristically said.

The Greek people, however, having all the information and all the testimony of his hopeful mandators, should already know that this night will be the darkest and the longest in the nation's history.

7520

CSO: 4621/34

NEW DEMOCRACY PARTY CANDIDATES' PROCEDURE BEGINS

Athens I KATHIMERINI in Greek 12-13 Jul 81 pp 1, 3

/Text/ The New Democracy Party has begun the process of selecting its candidates for parliament. It has asked the nome committees to submit lists with names twice the number of seats in each election district but on the condition that the list include the present deputies of the party.

The ND Executive Council has sent a relevant circular to the nome committees which for the first time indeed are participating in the selection of candidates for parliament. The circular fixes 10 August as the deadline for submitting the lists. On the basis of this date and in view of the further procedures needed for the selection of candidates in accordance with the provisions of the party's constitution, it is not considered probable that the next elections can be held before the middle of October.

Selection

After the nome committees submit the lists of proposed candidates, the executive committee will undertake the task of the final selection--a phase during which a substantive and time consuming examination of the lists will be made since any dissension stated in the reports of the nome committees must be satisfactorily justified.

After the executive committee selects the qualified candidates, the final list will be submitted to the party's leader /Rallis/ who will give his final approval or will make any changes in accordance with the prerogatives granted him by the ND constitution.

For the First Time

The ND circular to the nome committee states: "According to article 17 of the constitution the party's First Congress in Khalkidiki approved, you have not only the right but the obligation as well to propose names of party candidates for the next parliamentary elections."

The circular states further that for the first time in the country's political history this right is exercised by the grass-roots and constitutes one of the most characteristic examples of our democratic organization; that it should be

institutionalized and should be a meaningful instrument in helping the leader of the party to select the final list of candidate deputies (with the recommendation of the party leadership that the lists should also contain women candidates). The circular recommends that the increase in the number of candidates should be taken into consideration and that the nomen committees can propose candidates whose number can be as high as twice the number of the legally allowed number of candidates on the districts' ballots. The circular adds that the committee members dissenting have the right to give their reasons for dissension in a special memo to be attached to the report of the nomen committee listing the proposed candidates. It also states that:

"The proposals [of candidates] must be in the form of nomen committee minutes which should state that all its members were duly notified in time [about the meeting] as the Regional Organization Regulations provide; that the committee meeting had a quorum; who were absent, if any, if the decision was taken unanimously, who objected and against which candidacies.

"It is obvious," concludes the circular, "that the members of the local committees who are also members of the nomen committees (president and secretary general) as well as the secretary general of the Youth Organization of the New Democracy Party should, in addition to their personal opinions, also state the opinions and recommendations made about the candidates by all other members of their local committee."

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CSO: 4621/39

HOW WEST GERMANS SEE PAPANDREOU

Athens I VRADYNI in Greek 11 Jul 81 pp 1, 12

[Text] The recent trip of PASOK chairman Andr. Papandreu to West Germany as a guest not of the Bonn government but of the Socio-Democratic Party is described as very useful because as many political observers have found out, within only a few 24-hour periods he succeeded in saying one thing to a meeting of the movement's nome committees in Germany and another thing during his formal talks in Bonn. What he tried to say to the German officials--which, moreover, he repeated in an interview with the German Socio-Democratic Party weekly magazine--are so contradictory that even his friendly newspapers in Athens either completely ignored his statements or summarized them in such a way as to change their real content.

Marxist Movement

Thus, addressing the PASOK nome committees in West Germany, Papandreu appeased them by stating that the movement remains Marxist, loyal to the 3 September 1974 principles and its goals unchanged. He explained that to avoid terrorizing the Greek middle class and to reassure the armed forces he changes tactics while basically he remains loyal to the Marxist rendition of the Greek reality. He added that this deliberate change in tactics aims at gaining a majority [of the electorate] and thus "bring to realization"--as he said--"socialism and change."

Moreover, in order to be more convincing, Papandreu reminded his audience that it was the middle strata of the urban population which overthrew Allende in Chile. And to pacify the domestic reactions, he repeated that the change in tactics is the only means by which to assume power.

In the same speech, Papandreu expressed the fear lest the participation of French communists in the socialist government of France prove politically detrimental to PASOK. "For this reason," he said, "we shall always say that we are not going to cooperate with KKE in order to dispel the fears of the voters."

Pro-Western, Pro-European

Political observers, however, were flabbergasted by Papandreu's amazing new maneuver. Only 48 hours after his above statements to his nome committees in W. Germany, Papandreu, addressing the German socio-democrats (through their weekly magazine "Vorwärts"), attempted to present himself as pro-European and pro-Western.

Responding to questions by a Greek correspondent of the magazine Papandreu did not speak about Marxism nor against the United States and NATO. Neither did he threaten to start "partisan warfare" against EEC. On the contrary, he supported the following:

- a. EEC: We should sign a special agreement with the community--a type of contract for closer cooperation.
- b. Europe: We are not anti-European. PASOK is not against Europe.
- c. NATO: We shall not make hasty and imprudent decisions. We intend to move within the framework of the international reality and balance of powers. Basically, PASOK stands for withdrawal from NATO. But as government we must bear in mind that the arms of the Greek Armed Forces are supplied by NATO.

Political observers in Athens are stupefied and wonder who is fooling or trying to fool whom?

7520

CSO: 4621/38

POLL INDICATES STABLE SUPPORT FOR PARTIES

Oslo AFTENPOSTEN in Norwegian 18 Jul 81 p 5

[Article by Eivind G. Karlsen: "Labor Party's Hopes of Victory Are Dwindling"]

[Text] Have the majority of the voters already decided to give the nonsocialist parties the chance they have longed for? In other words, to give the Labor Party government its walking papers? A tendency to move in that direction is persisting, and, practically speaking, the relative strengths of the principal political groups before the 14 September election seem to be unchanged. But there is no basis for coming to any definite conclusions where the struggle for the reins of government and a majority in the Storting is concerned. Nothing can be taken for granted, although the alternatives are clear.

The question today is: has the Labor Party reached "the summit" since the change in prime ministers in February? And has the so-called Gro wind subsided? A flattening out in the voter support for the governing party can be observed. It is more than a year since the party stood at as high a point as has been the case in recent months. But now there should have been further progress instead of stagnation if the party were to have hopes of retaining the reins of government. The Norwegian Labor Party has successfully mobilized reserves of votes in the past. Can it manage to do it again during the current final lap of the election campaign? Will it win or lose the (emotion-charged) debate on security policy and an area free of nuclear weapons? Those questions can just as easily be asked of Party Chairman and Prime Minister Gro Harlem Brundtland. But she, too, is at a loss for an answer to those questions. The prime minister certainly does not like that situation at all. So much the more, because of that situation, is she in danger of heading the shortest-lived government run exclusively by the Labor Party since the time of Chr. Hornsrud.

As the only parties with adherents amounting to 30 percent or more of the total number of voters, the Labor Party and the Conservative Party will get a chance this fall to confirm and strengthen their positions as what are obviously our strongest political parties. We can risk that prediction, anyhow. Gallup's political barometer for June indicates a movement of 0.5 of a percentage point for both of them--the Conservatives forward and the Labor Party back--but in both cases safely within the margin for error.

The relative strength of the principal groups appears to be very stable--as is also clearly apparent from the summary in the table. The Labor Party and the Socialist Party of the Left had the support of 42 percent of the voters according to the April/May opinion poll by NORGES MARKEDSDATA, and in June the two parties, together, had

1 percent fewer voters. The Conservative Party, the Christian People's Party and the Center Party, taken together, also have to record a slight loss of support, but it appears that they will continue to be able to capture more than 49 percent of the votes.

As election experts have expressed it, a miracle will be necessary if the Socialists are to rescue their majority in the Storting. However, those same experts have also stressed the fact that what happens in the election campaign itself may play a larger role now than in previous elections. Will that turn out to be the case in 1981? And they have also said that movements within the mass of voters can be sharper than in previous elections. What will happen during the remaining 8 or 10 weeks before this year's Storting election? Again, attempts to answer these questions naturally will only be guesswork. On the other hand, one can safely assert that we are going to have a heated election campaign, with security policy, employment, price increases, inflation and a declining Norwegian ability to compete; the government and the oil companies, the construction of housing and types of ownership, democracy in industrial enterprises and proprietary rights, equality and questions concerned with philosophies of life, among other things, as some of the central subjects under consideration. Will the voters allow themselves to be influenced by them?

Everything else is eclipsed by the question as to which parties will gain a majority in the new Storting and consequently be entrusted with responsibility for the government. Here the choice will be between a continued minority government by the Labor Party (there is little likelihood that the Norwegian Labor Party will enter into political partnership with any other party just to gain cabinet positions) and a majority government by the Conservative Party, the Christian People's Party and the Center Party. In the latter case, Norway would have the first majority administration in 10 years.

In a comment on the Gallup Poll results, the Conservative Party's parliamentary leader, Kare Willoch, told the Conservative Party: "It is obvious that the Labor Party has already gotten back to the same problems which existed before the change in government. That development is scarcely due, primarily, to a single event, but rather to the long-term effects of the pursuing of a steady course on the part of the Conservative Party and uncertainty within the Labor Party. This tendency is an interesting one, and it is obviously favorable for the Conservative Party," he added.

Lars Korvald, of the Christian People's Party, remarks that the opinion poll confirms a political picture with a clear majority on the non-socialist side. "There is a good chance that the three nonsocialist parties, the Conservatives, the Christian People's Party and the Center Party, will form a government," Korvald says.

Secretary-General Svein Sundsbø of the Center Party also is relieved that the "Gro wave now has subsided." Seen as a whole, the picture is extremely bright because of the expectation that the nonsocialist parties will be able to take over the government after the election.

GALLUPS POLITISKE BAROMETER

[illegible]

(18) Barometeret fremkommer ved at hvert parti er vejet mot stortingsvalget 1977. Beregnede statistiske feilgrenser kan være av en størrelsesorden på 3% for stemmeandeler nær 50%, ca. 2% for stemmeandeler på 10—20 % og nær 1% for lavere stemmeandeler.

(19) Intervjuarbeidet ble utført hovedsakelig i perioden 10.—30. juni 1981.

Oslo, 17. juli 1981

NORGES MARKEDSDATA A/S

- Key:
- | | |
|---------------------------------------|-------------------------------------|
| 1. Gallup's Political Barometer | 2. September 1977 Storting election |
| 3. September 1979 Fylkesting election | |
| 4. Radical Left | 5. Labor Party |
| 6. Norwegian Communist Party | 7. Socialist Party of the Left |
| 8. Progressive Party | 9. DLF [expansion unknown] |
| 10. Conservative Party | 11. Christian People's Party |
| 12. Center Party | 13. Liberal Party |
| 14. Others | 15. Totals |
| 16. Responses on party preference | 17. Total number of interviews |
18. The barometer results from comparing each party's votes with those it gained in the 1977 Storting election. The calculated statistical margins of error can be on the order of 3 percent for shares of the total vote near 50 percent approx. 2 percent for shares of from 10 to 20 percent and around 1 percent for lower shares of the total vote.
19. The work of interviewing was carried out primarily in the period from 10 to 30 June 1981

DIVISION WITHIN PS DESCRIBED

Lisbon O JORNAL in Portuguese 3 Jul 81 p 3

[Text] At the same time as the Standing Committee of the PS is intensifying the tone of its opposition to Balsemao--who, according to a communique published yesterday (Thursday), is said to be on the way to a "full capitulation to the CDS [Social Democratic Center Party]--the war within the parliamentary group continues with regard to the case of the statutes of the respective leadership. Some progress has been made toward an agreement, but there still are differences with regard to the way to elect the chairman of the parliamentary secretariat

Persons close to Mario Soares suggest that he made the greatest effort toward finding a consensus. On the other hand, they say that the majority of the parliamentary group is already divided, because alleged displacements of Vitor Constancio and Antonio Reis are being mentioned.

Constancio--they also say--is supposed to have found points of contact with Soares in a recent talk, while Antonio Reis is said to have shown his "splits" with the group of the former secretariat at the time of the first meeting to try to find a solution for the parliamentary group. In turn, the parliamentary majority points out that, in the group of persons close to Soares, a "greater opening up" by Almeida Santos is evident, with Jaime Gama functioning as a "hawk" and Jorge Campins--the "apparatus" man--is said to be on the chute for a "fall."

All these interpretations are, however, being contradicted by the protagonists, in word or deed. In the meeting of the PS parliamentary group late Tuesday and very early Wednesday, Vitor Constancio stated that he courageously is in solidarity with the parliamentary majority and he is even supposed to have gone so far as to say: "We are no youngsters!" in reply to the decision by the Parliamentary Committee to take the leadership of the parliamentary group into account. In the evening, by surprise (Carlos Lage had prior knowledge of the event only by chance) the Standing Committee, invoking that the secretariat of the group had made the places available, took upon itself "responsibility for direct guidance of the parliamentary group." This "takeover of authority" in the parliamentary benches was motivated by a telex message that reached the hands of the deputies in Parliament, but it had no practical concrete form. In spite of some hesitation, the former secretariat continued in the front row and succeeded in taking the initiative of calling the parliamentary group together for two meetings in which the decision of the Standing Committee was disputed and confidence in the present team was reaffirmed.

The communique of the Standing Committee, which deferred a decision on the matter to a forthcoming political committee meeting to be held on 11 July, probably aimed at gaining strength for a continuation of "negotiations." Meanwhile, on 7 July, there will be a special session of Parliament because of EPAC [expansion unknown] and the problem will be raised again (Soares will be absent from the country, at that time, on a mission of the Socialist International).

A source close to Soares appeared to be convinced that an agreement will be reached by then.

Almeida Santos and Antonio Reis Interested in Consensus

On both sides, Almeida Santos and Antonio Reis seem to be the ones most interested in arriving at a consensus. But, in connection with that, Jaime Gama denies that he has a position that can be interpreted as especially hard and circles in the Santarem District, close to Antonio Reis, told us that the rumors that have come up in the press on that deputy (who is said to have "passed over" to the pro-Soares faction) are "slanderous, ridiculous and fall in the usual line of a certain lamentable style of political intrigue." In this connection, they say that, in Santarem, Antonio Reis, with Jose Niza and Sacramento Marques, is "pounding," for the congress of the respective federation, against a ticket headed by Cruz Marques and Jorge Lacao. Moreover, the same sources say that the "freeze existing between Mario Soares and Reis "has no remedy."

It all started in a meeting in the middle of June, in which Antonio Reis was a central figure. Almeida Santos and Eduardo Pereira (pro-Soares), A. Teixeira de Carvalho (labor left) and Antonio Reis and Joao Cravinho (who did not show up) represented the parliamentary factions in the meeting presided over by Antonio Macedo. A. Reis was to be the "spokesman" of the parliamentary majority, which, however, did not prepare the meeting. Reis had no mandate and (convinced that negotiation of a consensus solution would be favorable to Soares from one point of view and to the government from another point of view) agreed with a proposal for absolute parity in the leadership of the parliamentary group: 4-4, without a deciding vote cast by the presiding officer.

Reis was to be stripped of authority, subsequently, by part of the parliamentary majority, which would explore other solutions to which O JORNAL has made reference.

Although it is not possible to talk of "turnarounds" in personal terms, there is a division among the group of the former secretariat between those who support more moderate or more radical positions with regard to the "Soarists."

On Thursday 25 June, a meeting of the parliamentary group was held, which ended without a consensus. The ANOP news agency transmitted an account that attributed to Soares statements like "Either there will be consensus or there is war" and "Do they want me to go to the rank-and-file?". With the withdrawal of Soares--who left on a trip to the Azores on the next day--any possibility of solution was postponed. The next act was to be the "takeover of authority" by the Standing Committee.

Jaime Gama: "A Leadership Completely Made Up of Minority Is Not Operational"

O JORNAL tried to hear both parties involved concerning this attitude. The parliamentary majority, and specifically the chairman of the group, Salgado Zenha, excused themselves from making statements. We only obtained a short opinion from Aquilino Ribeiro Machado, a member of the secretariat of the group, who stated to us that "democratic rules must be followed for the election and in this transitory phase the secretariat must continue in its functions until a consensus is obtained."

In turn, Jaime Gama stated as follows to O JORNAL the reasons for the position taken by the Standing Committee: "It does not seem legitimate, in terms of democratic fairplay and much less does it appear to be operational, from the point of view of political coordination, for the leadership of the PS parliamentary group, to continue, after the Fourth Congress, to be made up completely of persons favoring the minority.

"It is reasonable for the majority to be represented on the leadership of the parliamentary group, in view of the responsibility for the work of the AR [Assembly of the Republic] and the need for its effective tie-in with the party's strategy. I regret that elections have not yet been held and that nothing definite has been accepted with regard to the proposal for an equal-basis ticket.

"The initiatives of the Standing Committee seek, not voluntary confrontation, but, rather, consensus around the idea of parity. Moreover, we shall be the first party in the world to have a prominent minority figure as parliamentary leader. Can there be an example of greater tolerance?

"I myself would view with favor for Vitor Constancio, Jorge Sampaio or others with the same point of view to be able to be on the consensus, equal-basis ticket for the new leadership of the parliamentary group and thus to make a definite contribution to the political offensive of the PS.

"It is essential for this matter to be settled rapidly, because, with the present state of tension, the AD [Democratic Alliance] gains and the PS loses. The prolonging of a little war of vanity in the socialist parliamentary group is seriously harming the opposition and is facilitating the task for a government that does not deserve it."

In this phase, the difference between the two factions lies, primarily, with regard to the question of whether or not the chairman of the parliamentary group will be elected separately. The secretariat "has already dropped" the requirements on the deciding vote by the chairman and the date of the elections, without involving the matter of the Hondt method (by providing a single ticket).

At any rate, Zenha will assume the chairmanship. The vice chairmen will be, in the assumption of an eight-member leadership, Almeida Santos and Jaime Gama (the pro-Soares men) and Carlos Lage from the former secretariat. In the assumption of ten members, Joao Cravinho might be the other vice chairman, for the former secretariat.

Finally, on the political level, mention must be made of the denial of statements attributed to Mario Soares, in Coimbra, to the effect that the PS can come back into power before new elections. "Return of the socialists to power will occur only after the holding new elections," the PS press office repeated.

SOCIALIST YOUTH CONGRESS ADOPTS MORE DOCTRINAIRE STAND

Stockholm SVENSKA DAGBLADET in Swedish 26 Jun 81 p 2

[Report of Interview with Jan Nygren by Mats Johansson]

[Text] "Excuse me a moment, I must ring up Metall [the Metal Workers' Union]. They will be after me about the funds, of course."

Jan Nygren, chairman of the SSU [Swedish Social Democratic Youth Association], elected in 1978 and reelected last week, interrupts our conversation and hurries to the telephone. Dan Andersson, Metall economist, has tried to get in touch with Nygren, who came out in the media and criticized Leif Blomberg, chairman of Metall, for unclear statements about individual membership.

The latter, of course, sounds like a retreat to SSU ears, for at SSU headquarters on the Gullmarsplan in Stockholm they are going full speed ahead in the other direction; at the congress held recently the young Social Democrats left mixed economy and functional socialism behind them. Sweden is to be totally politicized and the party and the union given decisive influence on the development of society. Doing away with the remnants of capitalism stands uppermost in the program, for that is regarded as solving many social problems.

"I had occasion to react against the whole discussion of individual shares. It is extremely important for the labor movement to decide now for the third time to push the funds question.

"It is beginning to be a question of confidence. If we continue to show hesitation about the basic principles, it is difficult to convince others of the excellence of the idea. We cannot start injecting new ideas at the eleventh hour," says Jan Nygren.

Dangerous Right Wind

We talk about the right wind. On Nygren's desk lies a copy of the book "En ny giv" [A New Deal], a neoliberal campaign document written by Gunnar Hökmark, chairman of the MUF [Conservative Youth Association]. The SSU chairman sees nothing positive in the right wind's message:

"No, but the labor movement must give some thought to how to make use of our people's creative power in different ways from those used today. A great many feel

"You get to have a sailboat even if you are a Social Democrat. An S [Social Democratic] boat can be as little or as big as you like, but not an object of speculation and discounting, a way of tucking away dirty money."--Jan Nygren, leisure time sailor

that the only way to alter their living conditions is through private enterprise," Nygren says with a slight shudder.

"There is a great deal involved in the whole tax-bracket debate. The tax system must not be felt as an imposition, an obstacle. The decision-making processes have become more involved and harder to grasp, in the big communes, in the big divisions of the union, in the concentrated economic life... and then we get trends toward privatization."

On Right Road

The SSU chairman takes home ownership as an example. He can see that ownership gives people a positive feeling, the chance to accomplish something by their own efforts.

"The labor movement missed this bit earlier, but now we are on the right road."

Nygren mentions critical analyses within the LO [Swedish Federation of Trade Unions] and KF [Consumers' Cooperative Union] as examples showing that the movement should have discovered the value of looking after its own involvement with the people. At the same time he sees the talk about "the new individualism" as a dangerous thing:

"It is merely a matter of 'I will take care of my own future.' But it is necessary to work together, e.g. in the housing field or in the school. Those who are not up to it or are unable must also get their part."

Jan Nygren would not be SSU chairman if he did not emphasize the collective's advantages, now that the movement is practicing self-criticism. He talks with fervor of how he has long discussed the question of collectively utilizing the individual's creative power, even after the SSU, in 1974, launched the campaign for renewal of the popular movements.

Wind To Be Concerned About

The right wind is to be taken seriously, Nygren thinks, even though it is beginning to decrease in strength.

"The right wind cannot be dismissed. We must keep on forcefully defending the solidarity policy and avoid being blown with the right wind into new, poorly functioning reforms."

Then is the Social Democratic crisis groups's work possibly a sign that the right wind has blown in even in the labor movement?

The Plant School (S)

Jan Nygren, 31, has made a career in the Eaglets, the SSU club, the club secretariat, and the LO secretariat. The power organization he heads has 70,000 members today and over 100 employees, the latter being double the number it had in the 1960's. The association has a turnover of 14 million kronor a year centrally and has 4.5 million kronor in the bank. The members' dues play a smaller and smaller part; the state and the labor movement put up half of the income, and commercial lotteries a third.

To the political problems that were revealed at the congress must be added organizational problems.

A report of the organization to the congress talks of how the study activity has stagnated and the formation of local circles has gone down; this is regarded as serious.

A "quite poor recruitment of members" results in a slight decrease in many clubs, according to the report. Concerning the school activity it is said that it has "definite shortcomings." On the other hand, the SSU points out that 15,000 new members had been recruited by the time of the congress.

An important conclusion, symptomatic of several of the youth organizations, is drawn by the report when it proposes a complete review of the state contribution "with the aim of greatly increasing the central support," and that "the special support to the political youth organizations should be discussed in all the county councils."

Unpleasant Questions

Jan Nygren slips around that question with round corners and a soft tongue, as he does around other controversial questions:

"The labor movement must pose unpleasant questions to itself, but I have been critical of the way of posing them. The questions in the debate were challenging. When we changed our energy policy we issued a whole study cycle. In the basic crisis questions, which affect our whole tradition, it was unfortunate to proceed as simply as was done."

Nygren says no to the concentration on cutbacks in the economy debate.

"The main question must still be how we shall avoid cutting down the public sector..."

Hard Years

He does not care for the idea of spending time in the opposition.

"No, it can never be useful to be without the possibility of exerting influence, especially for a special interest party like ours. We could have rethought some things. Perhaps we could have discussed more seriously the risk of being viewed

as a part of the establishment."

Now Nygren hopes that the Social Democratic Party has gotten rid of the stamp of bureaucracy, which he says is bothersome for a movement that has always said it was in opposition to the existing order.

The Red Thread

What are the most important questions for Social Democratic youth?

In the congress's resolutions an ideological red thread dominates, which forms the outlines of a socialist society built in part on the self-administration principle. The popular movements will radically change our everyday environments. The wage-earners will themselves, via planned economy, union, and funds, assume authority over, e.g., the firm. Not for nothing is it pointed out that Yugoslavia is an "exciting" model.

Among current problems Jan Nygren points to two, jobs and housing for youths. Big problems:

"This has to do with the actual experience of not being needed. It is devastating for young people to go into the job market and want to do something but not be allowed to. In the Stockholm area youths are forced today to live in a rented room of perhaps 10 square meters."

Getting to play a part, the SSU chairman believes, is important to the young. This is opposed by--see the new term of abuse--the forces of commercialism, which he says isolate youth from society.

Peace Above Everything

Old non-material questions such as the environment and peace also occupy the young guard of the Social Democratic Party.

"The whole peace debate is accelerating, and that is enormously positive."

Peacelover Nygren, whom I knew during the work with conscription questions in the 1970's as a friend of defense, is well adapted to this question now. He has no understanding of a sort of balance thinking--that the fight for disarmament should not be concentrated in the Western World.

"On the contrary, our contribution to the support for peace and disarmament will be greeted with gratitude."

Still--he sounds more balanced than the program he represents, does youth leader Nygren. That characteristic can carry him just as far as, e.g., his predecessors in the post, Ingvar Carlsson and Lars Engqvist.

Power Struggle

SSU chairmen generally become men in the state. Why should not the party-loyal Nygren, with a perfect background in the movement and splendid ideals like Wigforss and Sträng, become one?

Quite so, if he can manage to keep his left wing in check. The majority of the SSU congress was so lacking in respect as to reject the association leadership's candidate for association secretary and elect instead, after hard confrontation and intense squabbling, the leftist radical Bo Bernhardsson, an academic who spearheaded the winning self-administration line at the congress, which lacks any support among the traditional state socialists in the party and the union.

Bernhardsson has made good friends among the highest leadership of the association that Nygren will now attempt to control. Nygren's only comment on the election of Bernhardsson:

"No comment, as you understand."

Safest that way.

8815

CSO: 3109/216

PAPER COMMENTS ON POLL SHOWING GAINS FOR MODERATES, SDP

Stockholm SVENSKA DAGBLADET in Swedish 28 Jun 81 p 2

[Editorial: "A 'Norwegian' Sweden?"]

[Text] Today is Sunday 28 June. Today a new election would have been held if that had been the consequence of the three-party government's fall. In the leadership of the two parties that allowed themselves to be enticed into provoking the crisis, the Center Party and the Liberal Party, they are reported to be grateful today that it did not come to a new election. Today's SIFO figures, presented in a graph with an accompanying table, show quite adequate repercussions from the recklessness of that remarkable night.

They show that the changes among the voters during the convulsions of the government crisis have now become established. The position of the two parties of the center is markedly weak. The Liberal Party is less than one percentage point above the VPK [Left Party Communists]. If we count in the heard of small communist parties besides the VPK, there are grounds for the assertion that there are more communists than Liberal Party adherents in Sweden.

In today's voter opinion poll there are two big parties and a long list of small parties, three of which have seats in the Riksdag. Two of these have the governing power in their hands--with one seventh of the voters behind them.

There is more and more reason to compare the party political development in Sweden with what has taken place in Norway. Certain similarities are obvious, but there are also significant differences.

The similarity consists in the great dominance of the Social Democratic and Conservative parties. The great difference lies in the relations between these parties.

While the Labor Party and the Conservative Party in Norway are roughly the same size (33.7 and 32.1 percent respectively), the Social Democrats in Sweden are approximately twice as strong as the Conservatives.

The Norwegian Labor Party is suffering from the aftereffects of a prolonged internal split even up in the party leadership. And it has the responsibility of government in a troubled time.

In Sweden the Social Democrats have a much more comfortable position. A little over a month ago they were the sole opposition to a government that was plagued both with problems imposed upon it from outside and problems it created itself. The Swedish Social Democrats made use of the situation for an all-embracing criticism and did not bother about consistency in the criticism. For example, they attacked the government both for extravagance and for too harsh economies.

The Social Democratic Party has also neglected to present a real alternative. The rehash of old proposals that is called "the crisis program" does not contradict this assertion.

This populism has yielded dividends.

The Swedish Social Democratic Party, however, is by no means invulnerable.

As in the 1979 election campaign, its abovementioned lack of a stable position in economic policy can be a serious handicap.

As in the 1976 and 1979 election campaigns, its maneuvers on the wage-earners' funds question can bring about its fall.

The Social Democrats have now made it clear that the economy is to be socialized through collective wage-earners' funds. Certain details of the technique have not yet been established, but that no longer seems to amount to camouflage of the aims of socialization.

In the 1982 election campaign there must be a showdown on the social system: socialist or liberal? That the Conservatives will be the chief opponents of socialism goes without saying. But the situation is not so Norwegian that the Conservatives will be enough to stop socialism.

The parties of the center still have a task to perform in Swedish politics. If they shirk it, they are lost. It is not because they have been too unrelenting toward the representatives of socialism that they are threatened today with an election disaster.

8815

CSO: 3109/216

POLL CONFIRMS TREND TOWARD TWO-PARTY POLARIZATION

Stockholm SVENSKA DAGBLADET in Swedish 28 Jun 81 p 2

[Commentary by Gunnar Andrén]

[Text] In at least one respect--no, two--the SIFO [Swedish Public Opinion Research Institute] poll for June, published today, is more interesting than usual.

First, SIFO succeeded in a very short time, the 10 days 1-10 June (which were really only 7, since the Easter holidays came then), in conducting no fewer than 1,752 home interviews, an unusually high number.

Second, the result is of special interest because--that this is a subjective judgment is freely admitted--it confirms the thesis often advanced in these columns that being in power as such gives no special party political advantages, a thing that certain leading party politicians seem to believe. Instead, it is the party's policy, consisting of both expressed will and capability, that is decisive for the distribution of party sympathies.

Conservatives Highest Since 1967

By 1-10 June the new center government had had time to settle in properly and--no less important--probably become established in the voters' consciousness. At the same time things were unusually busy in politics, with several big Riksdag debates reported in detail and commented upon in the press, radio, and TV.

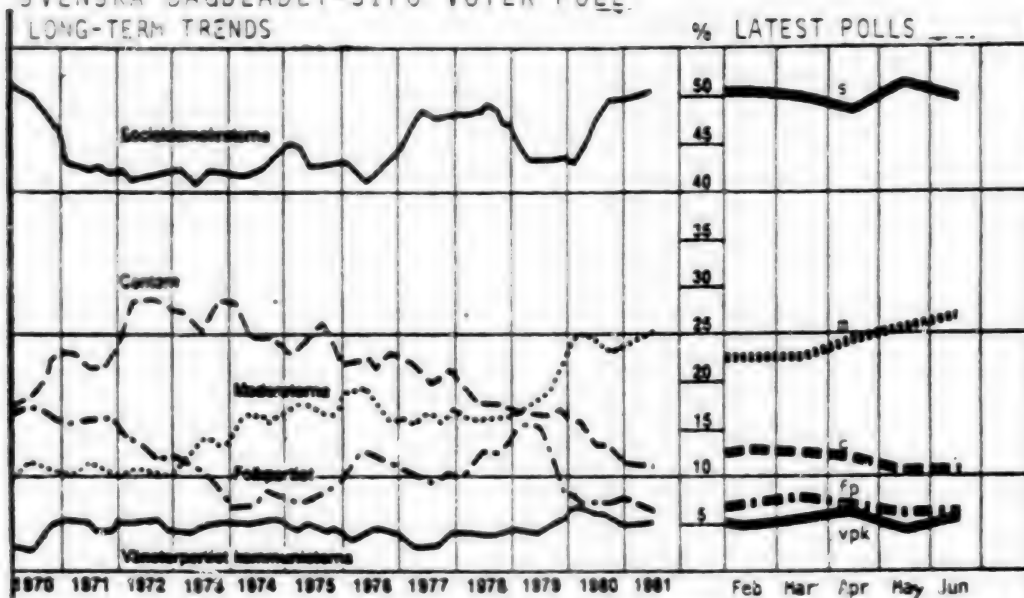
Thus after the fast changes of the government crisis in May the political news was not only extensive but also both varied and stable.

Against just this background it is interesting to note that the changes that arose in party sympathies during the days of the government crisis now appear to be permanent in nature--with rather a trend toward further intensification.

This manifests itself first of all in the Conservatives' new top figure, 26.5 percent for June (trend figure 25.3), both the highest figures ever, since the SIFO polls began month by month in 1967.

At the same time the parties of the center taken together amount to no more than 16.5 percent (trend figure 17.7), verging on the lowest mark for those parties since the change of governments in 1976.

SVENSKA DAGBLADET-SIFO VOTER POLL LONG-TERM TRENDS



- s = Social Democrats
- - - c = Center Party
- · - · fp = Liberal Party
- · · · m = Conservatives
- vpk = Left Party Communists

[Right] Enlargement of last part of the graph. Figures from the table below and corresponding figures for earlier months.

Long-term trends are centered averages computed over 9 months.
The trend level in May was
m = 25.3%, fp = 6.6%, c = 11.1%, s = 50.7%, vpk = 5.0%.

What Party Do You Think Is Best Today?

Qualified voters, 18-70 years old, with party sympathies	June 1981	April 1981	June 1980	June 1979	June 1978
Conservative Party	26.5	24.5	25	18	18
Liberal Party	6	7	7	15.5	11.5
Center Party	10.5	12	14.5	16	18.5
Social Democrats	50	48.5	40.5	43	46.5
Left Party Communists	5.5	6	5	5	4.5
Other Parties	1.5	2	1	2.5	2
Qualified voters with party sympathies	100	100	100	100	100
% of qualified voters who have no party or do not name one	7	6	5	2.5	3
Number of Interviews	1732	1018	1025	997	1012

The last month's interviews were conducted 1-10 June.

The answers were given in the form of sealed ballots. In the election of September 1978 the Conservatives got 20.5 percent of the votes, the Center Party 18.1, the Liberal Party 10.6, the Social Democrats 43.2, and the Left Party Communists 5.5 percent. The voter poll figures, however, should be compared with each other, not with the election results; the biggest qualified voters are not interviewed, not all who have party sympathies vote, and the will to vote differs.

from party to party. The figures are rounded off to the nearest 0.5 percent.

No attention should be paid to changes from trend levels established earlier (see above, below the graph) that are less than 2 percent for the Social Democrats and less than 1.5 percent for other parties. It should also be borne in mind that individual changes in a series do not necessarily indicate any new trend.

The Social Democrats and the Left Party Communists together remain stable at about 55-56 percent, at present making up 55.5 percent, and have fluctuated during the spring months from 54.5 percent at the lowest to 56.5 percent at the highest.

As concerns the changes since May it should be noted that all of them, viewed statistically, fall within the famous margin of error, so that, e.g., no great attention should be paid to shifts of 1.5 percent between Mr Palme's (S) and Mr Werner's (VPK) parties.)

Away From the Center

After the government crisis, on the occasion of the publication of the May SIFO poll (24 May) I allowed myself to point out that it was a "dangerous life in the center."

It should also be pointed out that there is an ambiguity there that is reinforced by the double meaning--and for that reason it should be reformulated as "the center's dangerous life."

One should also bear in mind in that connection the disheartening--not to say insignificant--support that the voters show for Thörbjörn Fälldin in general and Ola Ullsten in particular.

But also because the parties of the center themselves, through their actions, are living dangerously, since they obviously have not even been able to convince more than a minority of their own sympathizers of the excellent thinking behind the tax agreement with the Social Democrats and the dissolution of the three-party government. And--most especially--because a not inconsiderable part of their sympathizers feel they are living a dangerous life for that very reason, more concretely manifested in not inconsiderable additional voter losses.

Certainly the center won the governing power--but it lost voters.

A special study by SIFO of the voter flows--in short, how the voters have shifted--shows two unambiguous things in a comparison of the first and second quarters of 1981:

1. The Liberal Party and the Center Party have won not a single Social Democratic sympathizer by the tax agreement with the Social Democrats; if anything, the contrary is true.

In this connection it may be noted that SIFO has now computed the party-changers as compared to the 1979 election at about 17 percent. As of 1 January 1981 the corresponding figure was about 14 percent. To this may be added that among the

first-time voters the Social Democrats are especially strong, about 50 percent, the Conservatives and the Left Party Communists have a bigger percentage than their voter group on the average, while the Center Party's figures and most especially the Liberal Party's are extremely discouraging, a thing that was also indicated by the May survey by the SCB [Central Bureau of Statistics].)

2. Especially the Liberal Party but also the Center Party (statistically a little uncertain) lost voters to the Conservatives during the spring of 1981. The loss is on the order of 2.5 to 3.0 percent of the electorate, and that represents big groups of voters for parties that have only 6 to 11 percent support altogether.

But nobody can reasonably come forward and assert that these SIFO figures concerning voter shifts are surprising!

Vacillating Will To Vote

Before I conclude by giving a picture of some different partial results that can be read from SIFO's special studies, let me take up the expressed (un)willingness of the voters to vote.

This is very important for the outcome of the election; it is a matter of convincing those who are of two minds that they think "their" party is "good enough" to go to the polls and actually vote for it.

According to SIFO the will to vote is decidedly lower for the two parties of the center than for the Conservatives, Social Democrats, and VPK. For the last three quarters (fourth quarter of 1980 and first and second quarters of 1981), the inclination to vote among party sympathizers (in rounded-off percentages of those who said that they have a "best" party) looked like this:

	4th 1980	1st 1981	2nd 1981
Conservative Party	87	85	88
Center Party	76	79	75
Liberal Party	85	83	78
Social Democratic Party	89	89	91
Left Party Communists	93	89	91

The small but nevertheless definite rises in the opinion polls that the Center Party and the Liberal Party were able to score during the winter half of 1980-1981 are clearly reversed here--as if their voters were "protesting" against what has happened since.

The Social Democrats and the Left Party Communists are thus very high in this respect, while the Conservatives--after the drop in the polls of January-March 1981--are approaching the 90 percent level the party usually has.

That the Conservative figure was rather low for a long time is not hard to explain, as far as that goes; it is closely connected with the circumstance that since the 1979 election the party has acquired many sympathizers who think it is the "best party" but who--like all party-changers--doubt whether the party is good enough to go to the polls and actually give the party their votes.

Salaried People Shifting

Now in conclusion a number of interesting, scattered jottings about voter shifts:

1. The number of voters that are unsure of their party sympathies continues to be very large, 7 percent of the whole electorate, in other words as large as the Liberal Party. There are probably significant gains to be made here, especially for the non-socialist parties.
2. Of those who stayed away from the polls in 1979 the Social Democrats have now succeeded in convincing more of their superiority than the three abovementioned parties together. From the nonvoters of 1979 the Social Democrats are quite alone in having a significant increase, of the order of magnitude of 2 percent of all qualified voters, which is a lot.
3. The Conservatives, the Center Party, and the Liberal Party have lost decidedly more voters to the Social Democrats who are under 40 than over 40 years old. The mobility among voters over 40 is lower, as usual, than among younger voters.
4. The parties of the center continue to lose salaried voters, both to the Conservatives and to the Social Democrats. The number of Conservative sympathizers among members of the TCO [Central Organization of Salaried Employees] is now approaching 30 percent, and the number of Social Democratic sympathizers 45 percent. While the proportion of center sympathizers among salaried people, members of SACO [Swedish Confederation of Professional Associations] included, is less than 20 percent. It is best to be cautious about giving more exact figures, here, however, as the sampling, especially on the SACO side, is rather limited.
5. The Social Democrats' position among members of the LO [Swedish Federation of Trade Unions] is strong. Over 70 percent, something like 72 percent, of all LO members feel that the Social Democrats are the best party.

The next biggest "workers'" party is still the Center Party, with 9 percent, but the drop is marked. In third place come the Conservatives, with 7 percent of all LC members as sympathizers. The VPK's best group, as usual, is the academic organization SACO/SR [SR = National Federation of Government Employees].

Perhaps still more interesting on the LO side is that among more highly trained industrial workers, not precisely low-paid, both the Social Democrats and the Conservatives have strengthened their position, while the Center Party and also the VPK have lost support.

Even though the advance is marginal, one of the extremely few positive trends for the Liberal Party is also to be found here, and may be reasonably added here in conclusion for the gratification of certain people.

SS15

CSO: 3103/216

ARMS INDUSTRY DIRECTOR INTERVIEWED

Athens BUSINESS & FINANCE in English 27 Jun 81 pp 13-15

[Interview with Dimitrios Kokkinos, managing director of the Greek arms industry; date and place not specified]

[Text]

B&F: When was EBO established?

Kokkinos: EBO was established on 4th August 1977, with the initial target of the implementation of the agreement between the Greek state and the German firm Henkel and Koch. This agreement provided for the production in Greece of the German infantry rifle, under licensing and technical assistance from Henkel and Koch. On September 9th that year, the Greek State and Henkel and Koch signed the agreement, and the EBO undertook to carry out the contract.

B&F: When did production actually start?

Kokkinos: Towards the end of 1978, EBO put out its first gun. I would like to point out that bulldozers started construction of the installations in May 1978, and the first gun was produced in Aigion in November that year. It was agreed that at the end of 1981, we would have completed the full production of the rifle in Greece, because there was a programme to be completed in stages, there was to be one third Greek production, and two thirds imported, then two thirds Greek production, and finally the entire production in Greece. This was to have been completed in 1981. In fact we were ahead of schedule by a whole year, and by the end of 1979, the gun was entirely Greek made.

B&F: Having accomplished your initial target so well, what were your subsequent plans?

Kokkinos: Both I and Mr Droulias, the President of the Industry, never intended that the role of the company would end with the production of the infantry rifle. He strengthened the efforts towards the manufacture of other guns. So we also began production of the GB A4, and the light machine gun HAKA. These we made with imported technical assistance. However, I think we took a significant step forwards when we made the non-retreat 90 mm shot gun with only the designs imported from abroad. This was just a step away from what we went on to next - a mortar both designed and made ourselves. Thus you can see the technological progress and development of the company. Today we manufacture many other products too.

B&F: How would you account for the good progress made?

Kokkinos: I believe we have been so successful because we did not simply stop at the first target. We continued to seek out and to find higher and more interesting targets, and it is with this idea of continual improvement in mind that we have developed at Aigion factory, in the hope that in a few years it will cover the whole spectrum of arms, within, of course, the framework of the needs of the Greek Army.

B&F: What the EBOs ranking as compared to other arms industries?

Kokkinos: As you know, the company is 70% State-owned, and 30% is held by ETBA. Its targets have been reached ahead of time, because we believe that it is important to set each day new, higher targets. We believe we have the power of further development, and from the point of view of production and assembly, we have our own Research Department, staffed by excellent scientists. Their work is to develop armaments and systems required by the Greek Army HQ. We have a list of international associates which amounts to the "Who's Who" of international arms manufacturing. It is hard for a company to compare itself to others, as not all companies make all their activities known. However, I do not believe that we fall short of generally international standards.

B&F: To what do you attribute your success?

Kokkinos: I think that the achievements of EBO today can be put down to three main factors. First of all, to the life that it was given at the very beginning by its President: the direction he gave for its development in both design and production. Secondly it is due to the enthusiasm of its executives, who have been willing to work for so many hours both day and night for their own and the company's progress. Thirdly, and in opinion this is the most significant, the company is 100% Greek, and the structure of its management is absolutely Greek. There are no foreign technicians, there are no foreign decision makers in the company, and the valuable knowledge that we have imported from abroad and have used, was only of a transitional and consultative nature. The management of the company is entirely Greek, and this

fact gives the company the opportunity to be homogenous, and gives the executives the communicative ability which are the basic criteria for the success of any company. I should also say that the support of the Defence Ministry helped us immensely, and also the fact that we have kept the company young. Our employees are young, dynamic and creative (the average age is 31) and they are people who want to create something better than that which they found.

B&F: What are you producing at the moment?

Kokkinos: At present, among others, we are producing the infantry gun, various arms for paratroopers, the KAPA machine gun, bases for the weapons, and various other structures. We make the non-retracting 90 mm gun, and also production of the higher calibre guns; our development programme in fact is almost endless. Concerning the activities at Aigion, we have directed our efforts towards the production of complete systems for the production of machine tools, because we believe that we should cover also the non-military sector. We are a technologically advanced company, and both the qualifications of the personnel and the equipment allow the company to be flexible in its production. The cycle we follow is, of course, research, development, testing, production, trade. We are always careful to ensure that what is being researched today is what will be on sale in five years time, so that the continuous growth of the company is ensured. This is as much a tradition at EBO as it is in other companies. EBO is a competitive and exporting company, in both the Third World and in the EC. Our prices are competitive, and it is with great pleasure that I can tell you that we are also competitive in the EC. I am more than optimistic about the future.

1980 was a particularly productive year for the Greek Arms Industry SA. Production more than doubled, and was of a value of 903 million drachmas. Gross profits were three times as high, and totalled 245,480,432 drachmas, compared to 75,471,247 drachmas in 1979. Net profits reached 53 million drachmas compared to 928,560 in 1979. Industrial activity also developed at a higher rate and in only two years, investment depreciated 20%.

Production by unit increased 100%, compared to 1979, and today, EBO is dealing in six branches of arms production at the Aigion plant (from light infantry guns to machine guns and fire arms systems), and following the recent grant from the government, at the Lavrion installations, it also has three branches for the production of ammunition (propellants, explosives, etc.), which indicates the extent of the company's activities today.

The substructure that EBO created, and is still building on, is of major importance for the development of the defence industry in Greece, and naturally also for the conveyance, transportation, and assimilation of high technology from abroad. This was emphasised by the Chairman of the Board of Directors

of EBO, Mr K. Droulias at the general meeting of shareholders held on June 11th this year.

The company's investment programme for the next five years is expected to show an increase of the productive efficiency at a rate of 100% per year. The prerequisites for the materialisation of the 1982 programme have already been completed by the gradual increase of the share capital. The securing of capital for the establishment of new productive units in the Aigion complex, as well as for the further development of the units at Lavrion is also planned.

The Greek Arms Industry was founded in 1977 within the framework of the application of Law 43/75, which provides for the establishment of a modern arms factory in Greece. The State holds 70% of EBO SA, and ETBA (The Hellenic Industrial Development Bank) holds 30%. The company's activities contribute directly to the saving of foreign exchange, and to a certain extent to the country's self-sufficiency in defence equipment of modern specifications. The company's exports are also continually expanding, with the uninterrupted expansion of production, which is based on private economic criteria of efficiency and productivity.

CSO: 4600/100

DEFENSE SUPPLY OFFICE'S COMPUTER SYSTEM 'A FIASCO'

Stockholm SVENSKA DAGBLADET in Swedish 26 Jun 81 p 6

[Report by Sune Olofson]

[Text] The Defense Supply Office's computer activity is characterized by great deficiencies, repeated delays, and dizzying costs. During the 1970's just the operation and development of the 46 ADB [automatic data processing] systems that are in operation cost 350 million kronor.

"Economically the supply office's computer system is a fiasco," audit director Bo Holmström tells SVENSKA DAGBLADET.

For a whole year he and another official from the National Accounting Office inspected the supply office's ADB system.

The costs of the supply office's (FMV's) ADB work amount today to 60 million kronor a year. That is a third of the Ministry of Defense's total costs for computer work.

But FMV has not coped with the development, operation, and direction of the computer work. The National Accounting Office is critical on a number of points:

- Poor reliability in the planning.
- Time and resources are underestimated.
- Competent management is lacking.
- The quality control of the system is poor.
- Delays of up to 10 years.
- There is no overall evaluation of the ADB work.

Great personnel, machine, and economic resources were placed at the disposal of the ADB outfit during the 1970's, but so far the result and the advances have been small.

One ADB system is called TOR. It has the function of keeping track of the armed forces' combined needs, such as weapons, ammunition, vehicles, etc. TOR will record 15 million bits.

TOR was worked out and planned at the beginning of the 1970's.

Nine Failures

Today, about 10 years later, it is still not in operation. The original budget for the whole TOR project ran to 2.44 million kronor. Today TOR has probably cost about 35 million kronor. On nine different occasions FMV expected to have TOR in operation, but failed.

Another system is called DIDAS NY FLYG. In 1975 the project was estimated to cost 3.6 million kronor. Today it has swallowed up 25 million. During 4 years the project has had 2 planned completion dates.

It is just the same with the project FREJ. In 1972 the planned cost was 500,000 kronor. Up to and including fiscal year 1981-1982 it has cost 12 million kronor. Nine completion dates during the 10-year period.

The years go by and the projects swallow up millions.

FMV, like so many other firms and institutions, has offered up a great deal of time and money on the altar of computer development. Many of the systems, after long planning time and a number of replannings, have not yet led to the cost reductions and personnel reductions intended.

Expensive Consultants

FMV has been compelled to buy knowledge from expensive consultants. During the last 5 years consultants' fees alone have amounted to 60 million kronor.

"FMV's own resources for system development and maintenance are now fast approaching a critical level," the National Accounting Office writes in its report, and considers that the dependence on consultants is still "extremely great."

"Today FMV should, after such a long period of system development, have acquired its own experience and personnel instead of hiring expensive consultants," says audit director Bo Holmström.

Reorganization

Partly as a direct result of the National Accounting Office's report, FMV is now carrying out a sweeping reorganization of the computer work. The office will see to it that the management and direction are strengthened. It is to be hoped that costs will be reduced and systems will begin to get into operation.

In the future the commander in chief, through the defense staff, will supervise computer development more closely. To assist in the work he has appointed the National Accounting Office's examiner of FMV's ADB work, Bo Holmström.

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